

DAILY REPORT

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U.S.-SOVIET ARMS TALKS IN GENEVA ASSESSED

OW231539 Beijing XINHUA in English 1518 GMT 23 Feb 82

["Commentary: Ball Game at the Conference Table -- by Correspondent Tang Liuyi" -- XINHUA headline]

[Text] Brussels, February 22 (XINHUA) -- The Soviet-U.S. Geneva talks on intermediate-range missiles in Europe have made no progress since they resumed Jan. 12.

In the talks both sides have persistently clung to their positions, and observers have described the talks as "a dialogue of the deaf" and "a ball game at the conference table."

Soviet leader Leonid Brezhnev set the ball rolling last year by demanding the start of the negotiations. Accepting the demand, U.S. President Ronald Reagan kicked the ball back by putting forward the "zero option" proposal.

When the talks were officially underway, Brezhnev suggested on Feb. 3 that each side reduce intermediate-range missiles in Europe to 600 by the end of 1985 and to 300 by the end of the 1980s. Reagan then announced the following day that the United States had submitted to the Soviet Union a "draft treaty" based on its "zero option" proposal.

When TASS made public the six points of Brezhnev's proposal on Feb. 9, the U.S. State Department immediately rejected them. The one-day Geneva meeting between Soviet Foreign Minister A. Gromyko and U.S. Secretary of State Alexander Haig late last month ended a failure. The meeting failed to establish a deadline for the start of the talks on the reduction of strategic weapons and failed to set the date of a summit between the countries.

As for their negotiation schemes, the positions of both sides can be incompatible as fire and water. While the United States demands that the Soviet Union dismantle all SS-20 missiles, the Soviet Union refuses to accept U.S. plans for deploying Pershing II missiles and cruise missiles. Yet these arms systems are the very things that both sides have been striving to maintain and continue for their strategic interests. It is obvious, therefore, that both sides have no desire to reach an agreement through negotiations.

Although the SALT II came to a premature end soon after it was signed, both superpowers said negotiations on medium-ranged nuclear weapons should be included in "the framework of SALT III." But how can the third succeed when the second failed?

In fact, the Soviet Union and the United States know very well that their strategic missiles can become medium-ranged missiles with only a few adjustments. So, strangely enough, instead of negotiating on "the limitation of strategic arms," they want to negotiate "the reduction of medium-range weapons" first. Such negotiations, as a Western expert on the disarmament put it, is nothing but "to go through motions."

The Soviet-U.S. contention is going on in more fields -- from the Polish situation to the Madrid conference, from the central European disarmament talks to the quarrel on chemical weapons. In addition, a new round of the arms race has begun. The relationship between the two countries clearly remains at a stalemate, and it will be no easy job to reach an agreement at the Geneva talks.

Nevertheless, both sides have points in common. They have come to the negotiation table under pressures from the internal and external situation and with the intention of harming one's opponent and strengthening oneself. The Soviet Union wants to soften Western Europe and foil the U.S. plan to deploy missiles in Europe. The United States is trying to persuade Western Europe to agree to the deployment.

But it should be pointed out that the Soviet Union is on the offensive during the talks. The Soviet deployment of SS-20's reportedly is 85 percent complete. So far, 280 SS-20 missiles have been deployed. More than 40 missiles are expected to be deployed soon. The U.S. plan for missile deployment remains on paper.

The Soviet Union also proposed that during the talks each side should refrain from further deploying advanced nuclear weapons in Europe and freezing the existing weapons at the present level quantitatively and qualitatively. The proposal is obviously aimed at imposing restrictions on the United States, since the deployment of Soviet missiles has neared completion. It remains to be seen how the U.S. will react to this Soviet scheme.

PRC DELEGATE ADDRESSES SOUTH-SOUTH MEETING

OW221340 Beijing XINHUA in English 1256 GMT 22 Feb 82

[Text] New Delhi, February 22 (XINHUA) -- China actively supports developing countries in their efforts to close their ranks in the struggle for the establishment of a new international economic order and the development of independent national economy, said Pu Shouchang, Chinese representative, at the New Delhi South-South conference today.

The Chinese vice-foreign minister points out: "With the advent of the 1980's, world economic conditions have continued to deteriorate, aggravating the harm suffered by the developing countries under the existing unjust and inequitable international economic relations. The North-South negotiations have come to a standstill as a result of the persistent negative stand taken by some developed countries.

He says: "Following the Cancun meeting, it was expected that the heads of state and government would translate into action the desire they expressed at that meeting, that is, to support at the United Nations, with a sense of urgency, a consensus to launch the global negotiations. However, these expectations were shattered by the repeated obstructions on the part of the United States.

He says: "More than two years have elapsed since the U.N. General Assembly adopted Resolution 34/138 on the global negotiations at its 34th session. The world economic situation over this period has made it all the more urgent and necessary to launch global negotiations at an early date. People have come to realize more and more clearly that the issues which the developing countries seek to solve in specific fields, whether concerning their immediate needs or their long-term development, all involve the gradual restructuring of the existing international economic relations. Therefore, it is through global negotiations that a reasonable solution to these specific issues can be found, negotiations which will treat these issues with a comprehensive and integrated approach and in the light of their interrelationship."

"At present, many developing countries, particularly the least developed among them, are indeed faced with some pressing issues that call for immediate solution. Full understanding and support should be given to their demand that urgent measures be taken in certain important areas. Of course, this does not mean that we may slacken our efforts to promote the early launching of global negotiations. On the contrary, in order to seek urgent measures in certain specific fields, it will be necessary for the global negotiation conference to play a central role in making coordination and giving guidance."

"This will better ensure that these urgent measures conform to the interests of the long-term development of the developing countries and help to accelerate the process of establishing a new international economic order, rather than become expediencies divorced from the fundamental objective of establishing the new order."

He points out: "The grim world economic situation and the stalemate in the North-South negotiations require that the developing countries redouble their efforts to increase economic cooperation among themselves. Through such cooperation, they can promote their own economic independence as well as collective self-reliance and gradually free themselves from economic dependence on the developed countries. This in itself will bring about a fundamental change in the existing international economic relations and strengthen the negotiating position of the developing countries vis-a-vis the developed countries."

He says: "We are convinced that South-South cooperation is sure to develop steadily and yield fruitful results, provided that the steps and measures taken are practical and effective, the principle of equality and mutual benefit is truly implemented, and where conditions permit. Appropriate preferential treatment is accorded to the least developed countries."

The Chinese representative notes: "China is a developing socialist country sharing a common fate with other developing countries. It has been China's firm and consistent policy to increase economic and technical cooperation with these countries. Though it is still relatively backward in economy and its financial and material resources are limited, it has carried out to the best of its ability fruitful economic and technical cooperation with many other developing countries for more than three decades in the fields of trade, industry, agriculture, communications and transport, etc. on the basis of equality and mutual benefit. At present, as China's economy is in a stage of readjustment, such cooperation is somewhat limited in scope for the time being. However, we will not change our foreign policy of increasing economic and technical cooperation with other developing countries. With the completion of readjustment and the steady growth of China's economy, we will strive to expand the areas and scope of such cooperation so as to make greater contributions to South-South cooperation on a world-wide scale."

He says: "It can be said with certainty that in the common endeavour to achieve economic independence and establish the new international economic order, we developing countries will surmount all difficulties and obstacles and win final victory, as we did in our struggle to attain political independence."

Chinese representative Pu extends warm greetings and pays high respects to Tanzanian President Julius Nyerere as the winner of the Third World foundation prize.

KYODO: USSR SPOKESMAN CONFIRMS TALKS PROPOSAL

OW240213 Tokyo KYODO in English 0158 GMT 24 Feb 82

[Text] Moscow, Feb 23 (KYODO) -- A spokesman for the Soviet Union's Ministry of Foreign Affairs Tuesday confirmed reports that Moscow has asked Beijing to resume negotiations on the Soviet-Chinese border dispute. Soviet Government sources in Beijing had earlier said the proposal was made February 1. A similar request last September was rejected by the Chinese Government.

The last round of border negotiations between the two countries was held in Beijing in 1978. Talks have been broken off since the Russian invasion of Afghanistan.

Observers believe the latest Soviet move is intended to take advantage of growing discord between Beijing and Washington.

AFP: RUMORS ON NORMALIZATION WITH USSR DENIED

OW232354 Hong Kong AFP in English 2334 GMT 23 Feb 82

[Text] Islamabad, Feb 23 (AFP) -- China has no plan to improve relations with the Soviet Union unless Moscow renounces its "policy of hegemonism and expansionism," Wang Bingnan, head of a three-member Chinese delegation to Pakistan, said today.

Mr Wang, also president of the Chinese Friendship Association with Foreign Countries, said in Lahore that he denied "rumours spread by the Soviet press" that relations between the two communist giants were about to be normalised. "I can solemnly say that this is not correct," he said, adding that there was no immediate possibility of improvement in relations between the two countries.

Sino-Soviet relations could improve only if Moscow discarded its policy of expansionism and withdrew its troops from Afghanistan, he said.

SOVIET MILITARY ATTACHE GIVES BEIJING RECEPTION

OW231524 Beijing XINHUA in English 1517 GMT 23 Feb 82

[Text] Beijing, February 23 (XINHUA) -- Colonel N.S. Proskurnin, military attache of the Soviet Embassy in Beijing, gave a reception here this afternoon to mark the 64th anniversary of the founding of the Soviet Army. Among the guests were Zhang Bingyu, deputy director of the Foreign Affairs Bureau of the Ministry of National Defense.

RENMIN RIBAO NOTES SOVIET DEBT PAYMENT PROBLEMS

HK231209 Beijing RENMIN RIBAO in Chinese 18 Feb 82 p 7

[Report: "The Soviet Union Has Difficulty Repaying Its Debts to the West"]

[Text] It is reported that Soviet debts to the Western countries already total \$19 billion, that this will rise to \$22 billion by the end of this year and that there obviously are difficulties in repaying so huge a debt.

According to a report by Western national banks to the International Settlement Bank in Zurich, the total amount of Soviet deposits in these banks have been dropping sharply. They fell from \$8.5 billion in December 1980 to \$5.5 billion in March 1981 and then to \$3.6 billion in June 1981.

Not long ago, the Soviet Union asked Japan to extend by 6 months the term of a \$150-million loan which it borrowed from Japan for the purchase of textiles. This clearly shows for the first time that the Soviet Union has encountered great difficulty in repaying its debts to the West.

Western banking specialists in Moscow have pointed out that future developments will prove their assertion that the Soviet Union will put similar requests to its foreign trade partners, and at the same time it will ask for new loans. This is because it has to tide itself over its poor harvest, support Poland, Cuba and Vietnam and defray its expenditures in invading Afghanistan. Moreover, its deficits in foreign trade (which amounted to \$8-\$9 billion in 1981) and the tumbling prices of oil and gold have greatly reduced its ability to repay its foreign debts.

RENMIN RIBAO ON MEAT, FOOD SHORTAGE IN USSR

HK190358 Beijing RENMIN RIBAO in Chinese 17 Feb 82 p 6

["International Jottings" article by He Li [0149 4539]: "No Meat To Eat"]

[Text] Conditions regarding supplies in the Soviet Union are worsening. People lining up for meat has now become a common sight in Soviet cities and towns. All meat product shelves in the state-owned stores are empty. In the words of Western journalists, "meatless cities and towns" have mushroomed. This has aroused the discontent of the Soviet people. Even Brezhnev had to admit that the shortage of food and meat has become the "most pressing political and economic problem" in the Soviet Union.

Every situation has its cause. There are many reasons for the present shortage of meat in the Soviet Union. For example, the Soviet Union does not have a correct policy for the development of animal husbandry and is faced with a shortage of fodder as well as meat and food processing equipment. However, the most fundamental reason is that the Soviet authorities are pursuing a policy of arms expansion and war preparation at the expense of the people's livelihood requirements. It is none other than those inedible and mass-produced lethal weapons that have replaced the meat on the common people's dining tables.

The greater the profusion of arms, the keener the shortage of meat. If such a state of affairs goes on, the people's discontent is bound to intensify and culminate in a political problem. Thus, the Soviet authorities have no alternative but to increase the import of meat to make up for the shortage at home. According to Western newspapers, the Soviet Union will import more than 1 million tons of meat this year. Although this is quite a considerable amount, it still falls far short of consumption needs and will not be of much help. Moreover, how much meat can truly reach the markets and the common people's dining tables is open to question. To the common people of the Soviet Union, it looks as if their days "without meat to eat" are not yet over.

DENG XIAOPING MEETS KHIEU SAMPHAN IN BEIJING

OW240738 Beijing XINHUA in English 0729 GMT 24 Feb 82

[Text] Beijing, February 24 (XINHUA) -- Deng Xiaoping, vice-chairman of the Central Committee of the Chinese Communist Party, here this morning met and had a sincere and friendly conversation with Khieu Samphan, president of the State Presidium of Democratic Kampuchea and prime minister of the government, and all members of the Democratic Kampuchean delegation led by him.

Deng Xiaoping praised the Government of Democratic Kampuchea for its correct stand of united resistance against Vietnamese aggression. He hoped that all the patriotic forces in Kampuchea would put the national interest above everything else and get united as soon as possible.

Deng spoke highly of the positive results of the talks between Khieu Samphan and Samdech Norodom Sihanouk in promoting the united resistance against Vietnamese aggression.

Khieu Samphan said that his government will stick to the position of forming a union of joint resistance against Vietnamese aggression. The Government of Democratic Kampuchea, he added, is determined to carry the struggle through to the end together with the other patriotic forces.

Present on the occasion were Huang Hua, Chinese vice-premier and foreign minister; Han Nianlong, vice-foreign minister; and Sun Hao, Chinese ambassador to Democratic Kampuchea. Pich Cheang, ambassador of Democratic Kampuchea to China, was also present.

After the meeting, Deng hosted a luncheon for the guests from Democratic Kampuchea.

BEIJING RADIO ON SIHANOUK, KHIEU SAMPHAN REMARKS

OW231816 Beijing Domestic Service in Mandarin 1000 GMT 23 Feb 82

[Text] Samdech Sihanouk had another meeting at his residence this afternoon with Khieu Samphan, president of the State Presidium and prime minister of Democratic Kampuchea. After the meeting, Prime Minister Khieu Samphan and Samdech Sihanouk spoke to the Chinese and foreign reporters and answered their questions.

Khieu Samphan said: The common agreement and principles Samdech Sihanouk and I reached on 21 February are not complicated. The fundamental spirit of the agreement is tripartitism.

He said: Once the coalition has been achieved, all important issues will be decided by the three parties through equal consultations. The reason we must maintain the legal status of Democratic Kampuchea is to safeguard the legal status of the tripartite coalition government in the future. Maintaining the legal status of Democratic Kampuchea does not mean annexing the other two parties to Democratic Kampuchea or making Democratic Kampuchea subordinate to them. The three parties are completely equal. Neither of them will be above the other two. We think this is in the interest of our cause.

Khieu Samphan said: There are differences among our three parties. However, we have the most common ground, which is to drive the Vietnamese aggressors out of Kampuchea. We can unite on such a common ground.

Answering a reporter's question on how the three parties will resolve their differences, Khieu Samphan said: Our differences will not prevent us from accomplishing the common task that is before us. After the Vietnamese aggressors leave Kampuchea, we will, through a general election, establish a parliamentary system to resolve our country's problems. For

the time being, we are searching for all ways and means that can unite us. We do not want to say anything that can separate us. Uniting under the above-mentioned principles is the only way we can oppose the Vietnamese aggressors.

A reporter asked Khieu Samphan how long he would wait in Beijing for Son Sann. Khieu Samphan said: Only when His Excellency Son Sann has set a definite date can I make a decision.

After their talks with the reporters, Samdech Sihanouk and his wife gave a luncheon in honor of Prime Minister Khieu Samphan and all members of the delegation of Democratic Kampuchea.

HUN SEN REMARKS ON SRV TROOPS IN KAMPUCHEA SCORED

HK231222 Beijing RENMIN RIBAO in Chinese 21 Feb 82 p 6

["International Jottings" article by Chen Xiong [7115 7160]: "The Arsonists and the Fire Brigade"]

[Text] Hun Sen, the puppet "foreign minister" of Phnom Penh, in a recent interview with the reporter of the FAR EASTERN ECONOMIC REVIEW, said: The invasion of Kampuchea by Vietnam 3 years ago was like "extinguishing a burning house with water and saving the people inside who were on the verge of dying. Now, there is still a danger of fire, so we must leave the fire brigade by the house."

This is indeed a far-fetched analogy for the protracted occupation of Kampuchea by Vietnam. The use of a 200,000-strong army against a small neighboring country has ignited a flame of aggression which is still raging after more than 3 years. Moreover, Vietnam still wants the fire to keep on burning and even spread to Thailand. The Vietnamese authorities are the arsonists and definitely not the "fire brigade." Actually, this is a fact anyone with a bit of logic cannot help but acknowledge, but this so-called "foreign minister" thinks otherwise. What can people expect from a lackey who only knows how to lick the boots of his master!

SRV 'DIPLOMATIC TACTICS' TOWARD ASEAN DENOUNCED

OW221001 Beijing XINHUA Domestic Service in Chinese 1550 GMT 21 Feb 82

[Text] Beijing, 21 Feb (XINHUA) -- A XINHUA correspondent, in a commentary today entitled "Vietnam's Tactics of 'Cannons Plus Smiling Faces' Is Meant To Serve Its Strategic Goal," says that Vietnam's occupation of Kampuchea is a key factor in Moscow's strategic policy to advance south. The strategic goal of Vietnam's occupation of Kampuchea is to wipe out Democratic Kampuchea, occupy all of Kampuchea and form an "Indochina federation," and then invade Thailand, take possession of the Strait of Malacca and control Southeast Asia.

The commentary says: Vietnam's war of aggression against Kampuchea has gone on for more than 3 years, encountering increasingly strong resistance from Democratic Kampuchea and other resistance forces. Since this war has endangered the security and stability of Southeast Asia and violated Thailand's independence and sovereignty, it has been denounced by Thailand, the other ASEAN countries and the world's other peace-loving countries.

Confronted with diplomatic isolation, military setbacks and economic difficulties, Vietnam, while still stubbornly upholding its strategic goal, has constantly changed its tactics. Its tactics in dealing with the ASEAN countries can be summarized as "threats coupled with promises" or "cannons plus smiling faces," which means that Vietnam will use military pressure, political deception and diplomatic disintegration simultaneously.

The commentary points out: From what Vietnam has done over the past 3 years, people can see that Vietnam's short-term goal in applying these tactics is to obstruct the world people's support for Democratic Kampuchea, undermine the unity of the various anti-Vietnamese forces in Kampuchea, the unity among the ASEAN countries and the unity between China and Thailand and the other ASEAN countries so that Vietnam can wipe out these countries one by one. It is noteworthy that Vietnam has persistently regarded Thailand as a thorn in its flesh since Thailand, which has suffered the most from Vietnam's aggression against Kampuchea, has waged a relatively resolute struggle against Vietnam. Vietnam's policy toward Thailand has fully exposed its double-faced tactics.

In 1980, when Democratic Kampuchea's armed forces had just established a firm foothold and Thai Prime Minister Prem Tinsulanon had just formed his new government and was examining the new issues in foreign affairs, Vietnam used soft tactics but gave particular attention to hard tactics. Arrogantly and wantonly, it intruded into Thailand's border areas, and the Vietnamese soldiers began to plunder, burn and kill. The invasion was courageously rebuffed by the Thai Army and people and was sternly denounced by ASEAN and international public opinion. In 1981, while maintaining military pressure along the Kampuchean-Thai border, Vietnam paid particular attention to the use of soft tactics. With an ulterior motive, and while continuing to carry out provocations along Thailand's eastern border, Vietnam proposed a "partial withdrawal" of its troops from Kampuchea and the convening of a "regional conference" between the three "Indochinese countries" and ASEAN so that an agreement on "Southeast Asian peace and stability" could be signed. These "peaceful" proposals, however, were all rejected by ASEAN.

Only 50-odd days have passed since the beginning of this year, but the skies over the Indochinese Peninsula are overcast with dark clouds, and gunfire rages along the Thai-Kampuchean border. Particularly noteworthy were some incidents that took place in this region during early and mid-February. Following a visit by Soviet Chief of General Staff Ogarkov to Hanoi and Phnom Penh to hatch a new plot, Vietnamese military airplanes deliberately intruded into Thai airspace, and nearly 300 Vietnamese troops invaded the (sa-da-li) area in Pong Nam Ron, Chanthaburi, killing 5 Thai policemen. Vietnamese troops also savagely shelled Thai border areas, fired teargas bombs and used chemical toxins against these areas. While applying grave military pressure, the Vietnamese hypocritically reiterated the so-called "partial withdrawal" "peace" proposal at the "fifth foreign ministers meeting" of the three Indochinese countries in Vientiane on 16 and 17 February. The proposal, which was aimed at dividing ASEAN, inducing Thailand to recognize the Phnom Penh puppet regime and legalizing Vietnamese occupation of Kampuchea, was of course rejected by the Thai Government.

The commentary says: Practice in the past 3 years has shown that Vietnam's "cannons plus smiling faces," diplomatic tactics toward Thailand have always served its strategic aim. As the antihegemonism movement in Southeast Asia and other parts of the world develops, and as the plight of the Soviet Union and Vietnam becomes more and more difficult, the double-faced tactics of Vietnam will become more fierce and cruel and more cunning. Many people of insight in Thailand, the ASEAN countries and other countries in the world have realized this. Vietnam is taking advantage of the confused ideas about the Soviet Union and Vietnam that exist in Southeast Asia and other parts of the world to push its double-faced tactics. However, the historical trend is that more and more people are awakened by the education they receive from the Soviets and the Vietnamese, who are teachers by negative example.

CORRECTION TO SIHANOUK, KHIEU SAMPHAN IN BEIJING

In the item headlined "Further on Sihanouk, Khieu Samphan in Beijing," subheaded "Sihanouk-Son Sann Talks," published in the 23 February China DAILY REPORT, page E 1, the subhead should read: "Sihanouk-Khieu Samphan Talks."

FURTHER ON ROMANIAN TRADE DELEGATION'S VISIT

21 Feb Meeting With Tang Ke

OW232343 Beijing Domestic Service in Mandarin 1600 GMT 21 Feb 82

[Text] Minister of Metallurgical Industry Tang Ke held talks with Burtica, member of the Political Executive Committee of the Romanian Communist Party Central Committee, deputy prime minister of the government and concurrently minister of foreign trade and international economic cooperation, on the morning of 21 February. The Romanian Government delegation left Beijing by train at noon for a tour in Xian.

Meeting With Zhao Ziyang

OW231600 Beijing XINHUA in English 1545 GMT 23 Feb 82

[Text] Beijing, February 23 (XINHUA) -- Zhao Ziyang, premier of the State Council, met with Cornel Burtica, deputy premier and minister of foreign trade and international economic cooperation of Romania, here this afternoon in the Great Hall of the People.

In a cordial conversation, Burtica said leaders of the Romanian party and government "pay great attention to the comprehensive development of the friendly cooperation between Romania and China, especially the development of economic relations." He said that in face of the world economic crisis, it is very significant that economic cooperation between Romania and China be improved.

Premier Zhao said the during the visit of the Romanian delegation, a goods exchange and payment protocol for 1982 between China and Romania was signed. "We should continue to make joint efforts to increase Sino-Romanian trade year by year, and to find new fields and new ways of enlarging the economic and technical cooperation between the two countries," Zhao said.

Chinese Foreign Trade Minister Zheng Tuobin and Romanian Ambassador to China Florea Dumitrescu attended the meeting.

Burtica and the Romanian Government trade delegation led by him paid a one-day visit to Xian, Shaanxi Province, and returned to Beijing yesterday evening.

Goods Exchange Accord Signed

OW240824 Beijing XINHUA in English 0710 GMT 24 Feb 82

[Text] Beijing, February 24 (XINHUA) -- A goods exchange and payments protocol for 1982 was signed here today between the Governments of China and Romania.

Zheng Tuobin, Chinese minister of Foreign trade, and Cornel Burtica, deputy premier and minister of foreign trade and international economic cooperation of Romania, signed the protocol on behalf of their respective governments.

Under the protocol, China will provide Romania with coke, nonferrous metals, light industrial products, textiles, chemical products and machine tools, while Romania will supply China with rolled steel, chemical products, machinery and equipment.

Present at the signing ceremony were Chinese Vice-Premier Gu Mu and Romanian Ambassador to China Florea Dumitrescu.

MOROCCAN PRIME MINISTER PAYS OFFICIAL VISIT

Arrival of Delegation

OW221258 Beijing XINHUA in English 1227 GMT 22 Feb 82

[Text] Beijing, February 22 (XINHUA) -- At the invitation of the Chinese Government, Maati Bouabid, prime minister of the Kingdom of Morocco, arrived here by special plane this afternoon on a week-long official visit to China.

Prime Minister Bouabid is the first head of Government of Morocco visiting China since the establishment of diplomatic relations between China and Morocco in 1958.

Among those accompanying the prime minister on his visit are Minister of Handicrafts and Social Affairs Abbas el Fassi, Minister of Transport Mansouri Benali, Minister in Charge of Relations With Parliament Ahmed Belhaj, Minister of Equipment Mohamed Kabbaj, and State Secretary of Foreign Affairs Abdelhaz Tazi.

The prime minister was greeted at the airport by Chinese Vice Minister of Foreign Affairs He Ying and Moroccan Ambassador to China Abderrahim Harkett. Chinese Premier Zhao Ziyang will preside over a ceremony tomorrow to welcome the prime minister and hold talks with him.

Zhao Greet Delegation

OW230253 Beijing XINHUA in English 0158 GMT 23 Feb 82

[Text] Beijing, February 23 (XINHUA) -- Chinese Premier Zhao Ziyang, in the name of the Chinese Government, gave a red-carpet welcome to Moroccan Prime Minister Maati Bouabid in the foyer of the Great Hall of the People here this morning.

The national flags of China and Morocco were hung in the foyer. Premier Zhao Ziyang shook hands warmly with the Moroccan prime minister as he arrived. A girl Young Pioneer presented a bouquet to Prime Minister Bouabid.

After a military band played the national anthems of Morocco and China, Prime Minister Bouabid, accompanied by Premier Zhao Ziyang, reviewed a guard of honor made up of men of the three services of the Chinese People's Liberation Army.

Present at the welcoming ceremony were Huang Hua, Chinese vice premier and minister of foreign affairs; and Huang Zhen, minister in charge of the Commission for Cultural Relations With Foreign Countries. Also present were members of the Moroccan prime minister's party and the Moroccan ambassador to China, Abderrahim Harkett.

After the welcoming ceremony, Premier Zhao met and had a cordial conversation with Prime Minister Bouabid and members of his party.

Talks With Zhao

OW231355 Beijing XINHUA Domestic Service in Chinese 1249 GMT 23 Feb 82

[Text] Beijing, 23 Feb (XINHUA) -- Premier Zhao Ziyang held talks with Moroccan Prime Minister Maati Bouabid in the Great Hall of the People today. The two discussed bilateral relations and international issues in a sincere and friendly atmosphere.

Premier Zhao said good relations exist between China and Morocco. "As early as 1963," he said, "the late Chinese Premier Zhou Enlai visited Morocco and had beneficial talks with King Mouley Hassan II. They laid a solid foundation for Sino-Moroccan friendship. King Hassan II has greatly contributed to development of friendship between the two countries. We are grateful."

On behalf of Chairman Ye Jianying of the NPC Standing Committee and the Chinese Government, Premier Zhao invited King Hassan II to visit China at a time convenient for him.

Referring to the international situation, Premier Zhao said China and Morocco shared identical or similar views on major international issues. He praised the Moroccan Government for its efforts to maintain unity among the Arab countries and to oppose hegemonism.

Speaking on the Middle East, Zhao Ziyang reaffirmed the Chinese Government's support of the Arab people in their just struggle against Israeli aggression and expansion. [Beijing Domestic Service in Mandarin at 1000 GMT on 23 February in its report on the talks adds the following at this point: "Speaking on the situation in Asia, Zhao Ziyang pointed out: The outstanding issues in Asia at present are the Soviet invasion of Afghanistan and the Vietnamese invasion of Kampuchea with Soviet support. We must consider these two issues in terms of global strategy."]

Bouabid said that in view of the turbulent world situation, Morocco's foreign policy is to respect the UN Charter, oppose interference of one nation in another's internal affairs, stand for a new international economic order and support consultation and cooperation among developing countries.

The prime minister condemned Israel for its annexation of the Golan Heights. Without the interference of the big powers, the Middle East issue would be easy to resolve, he said.

Bouabid said the friendship between Morocco and China is based on mutual confidence. He hoped their friendship and cooperation would expand.

Taking part in the talks for the Moroccan side were Minister of Traditional Industries and Social Affairs Abbas el Fassi, Minister of Transportation Mansouri Benali, Minister of Relations With Parliament Ahmed Belhaj, Minister of Supplies Mohamed Kabbaj, State Secretary for Foreign Affairs Abdelhaz Tazi and Moroccan Ambassador to China Abderrahim Harkett. Taking part for the Chinese side were Minister in Charge of the Commission for Cultural Relations With Foreign Affairs He Ying, Vice Minister of Foreign Trade Zhao Changchun and Vice Minister of Economic Relations With Foreign Countries Lian Tianjun.

Zhao, Bouabid Address Banquet

OW231520 Beijing XINHUA in English 1501 GMT 23 Feb 82

[Text] Beijing, February 23 (XINHUA) -- Chinese Premier Zhao Ziyang gave a banquet in the Great Hall of the People this evening in honor of Prime Minister Maati Bouabid of Morocco and his party.

Premier Zhao and Prime Minister Bouabid spoke at the banquet. Premier Zhao said: "The reform of the old international economic order and establishment of a new one have become trends of the time and also important political issues that are closely related to world peace and stability."

The establishment of a new and fair international economic order, he said, entails promotion of global talks and strengthening of cooperation among the developing countries.

He said that China belongs to the Third World and is a developing socialist country. "We will share weal and woe with other developing countries. The Chinese people will join the people of Morocco, the great Arab people and the people of other Third World countries in common efforts to oppose hegemonism and to maintain world peace," he said.

Premier Zhao praised the Moroccan people, under the leadership of King Hassan II, for their great efforts to safeguard independence and develop the national economy and culture.

In international affairs, he said Morocco has pursued a policy of nonalignment, upheld justice and actively opposed imperialism and hegemonism to maintain world peace. "The Chinese Government pays high tribute to the Kingdom of Morocco for its efforts and achievements in promoting unity among Arab countries," he said.

Referring to the Middle East issue, Premier Zhao said: "With the superpower connivance and support, Israel unscrupulously pushes its policy of aggression and expansion, and persists to stand in the way of an overall and fair solution to the issue."

"It cannot but arouse the righteous indignation of the Arab people and the justice-upholding people of the whole world," he said. "The Chinese Government and people strongly condemn Israeli acts of aggression and expansion, and firmly support the Palestinian and Arab people in their just struggle for recovering the lost territories and restoring their national rights," the premier said.

He said traditional friendship exists between the Chinese and Moroccan peoples. "After the founding of the People's Republic of China in 1949, Morocco was one among the first few African countries recognizing new China. For nearly a quarter century, the two countries have been on friendly terms and supported and sympathized with each other in the struggle against imperialism and colonialism," he said.

Premier Zhao said with the increase of mutual understanding, friendly relations and cooperation between the two countries have developed steadily in recent years on the basis of the five principles of peaceful coexistence. "The current visit of this important delegation headed by Prime Minister Maati Bouabid will open a new chapter in the annals of Sino-Moroccan relationship," he said.

Responding, Prime Minister Bouabid said: "I have come to your great country with a mission of friendship, and the foundations of this firm friendship are mutual respect and understanding of our two peoples." The increasing development of the relations between Morocco and China testifies to the common interests of the two peoples, he said.

On foreign policy, Bouabid said: "Our two countries' actions are based on the same ground. We both firmly believe the same principles, especially those principles embodied in the U.N. Charter, including equality among countries, the principle of safeguarding national independence, sovereignty and territorial integrity as well as solving disputes through peaceful means, dialogue, mediation and arbitration." Morocco and China have identical views on some current international issues that are of much concern of the world's people, he added.

Prime Minister Bouabid expressed appreciation for "China's effort to safeguard the rights of oppressed peoples, her steadfast support of the Arab countries' struggle to recover their territories occupied by Israel and her position on the Palestinian question, the foremost problem of the Arab world."

He said: "We have been following with admiration your persistent efforts against imperialism and hegemonism and your contributions to the construction of bridges of cooperation among the countries of the world. This cooperation is entirely selfless and is built on a clear-cut basis of sincerity and friendship."

The Moroccan premier said he expected further development of cooperation between the two countries in various fields, especially in capital construction, agriculture, public health, medium-and small-scale industries, trade, culture and education.

In the spirit of friendship, the two parties proposed toasts at the banquet to continuous consolidation and development of cooperation and friendship between Morocco and China.

Present at the banquet were Banqen Erdini Qoigyi Gyancan, vice-chairman of the Standing Committee of the National People's Congress; Huang Hua, vice premier of the State Council and minister of foreign affairs; Huang Zhen, minister in charge of the Commission for Cultural Relations With Foreign Countries; Zhou Weizhi, acting minister of culture; members of the National Committee of the Chinese People's Political Consultative Conference; and leading officials of other departments concerned, and the Beijing Municipal People's Government. Moroccan Ambassador to China Abderrahim Harkett was also present.

The Moroccan prime minister and his party this afternoon visited the Beijing No 1 machine tool plant in the company of Vice Mayor of Beijing Lu Yu.

Further Zhao-Bouabid Talks

OW241318 Beijing XINHUA in English 1258 GMT 24 Feb 82

[Text] Beijing, February 24 (XINHUA) -- Chinese Premier Zhao Ziyang and Moroccan Prime Minister Maati Bouabid continued their talks in the Great Hall of the People this afternoon.

Premier Zhao Ziyang and Prime Minister Bouabid are both of the opinion that their talks are fruitful. They said they hope that cooperation between China and Morocco will further expand in all fields.

MILITARY EXPERT DIES OF 'ACUTE DISEASE' IN SUDAN

OW240214 Beijing XINHUA in English 0151 GMT 24 Feb 82

[Text] Khartoum, February 23 (XINHUA) -- A memorial meeting was held at a military hospital here today for Wang Huiyou, a Chinese military expert, who died of an acute disease after failing to respond to all first aid treatment.

A wreath was sent by the Sudanese defence minister and commander in chief of the armed forces for the meeting. Among the mourners were Air Force Commander Major General (Mohamed Mirgani el Tahir) and Medical Corps Commander Major General (Abdel Salam Salih Aisa).

A funeral ceremony in Sudanese tradition followed the memorial meeting.

ANNIVERSARY OF PRC-ARGENTINA RELATIONS MARKED

Argentine Embassy Banquet

OW191654 Beijing XINHUA in English 1601 GMT 19 Feb 82

[Text] Beijing, February 19 (XINHUA) -- Hector S. Subiza, Argentine ambassador to China, gave an embassy banquet this evening to celebrate the 10th anniversary of the establishment of Sino-Argentine diplomatic relations.

Among the Chinese guests present were Huang Hua, vice premier and foreign minister; Zhang Wenjin, vice minister of foreign affairs; Chi Haotian, deputy chief of General Staff of the People's Liberation Army; Jia Shi, vice minister of foreign trade; and Lian Tianjun, vice minister of economic relations with foreign countries.

In their toasts, Subiza and Huang Hua expressed satisfaction with the cooperation between the two countries, and hoped for further strengthening of relations.

Argentine Communique

OW200756 Beijing XINHUA in English 0747 GMT 20 Feb 82

[Text] Buenos Aires, February 19 (XINHUA) -- The Argentine Foreign Ministry hailed the amiable relations between Argentina and China in a communique issued here today marking the 10th anniversary of the establishment of diplomatic relations between the two countries.

Former President Jorge Rafael Videla's visit to China in 1980 was an outstanding event in the fruitful development of bilateral relations, the communique said. This development was witnessed by many agreements signed on cooperation in the fields of economy, science, technology and shipping. There have also been cultural and sports exchanges.

It described the contacts between the leaders of the two governments and mutual visits of delegations as an indication of the rapid growth of bilateral and multilateral relations in various spheres. Commercial dealings by Argentine private sectors have also helped promote the friendly contacts between the two peoples, the communique added.

SHANDONG ARTIST GROUP PERFORMS IN SURINAME

OW131857 Beijing XINHUA in English 1835 GMT 13 Feb 82

[Text] Paramaribo, February 12 (XINHUA) -- An artists group from China's Shandong Province gave its premiere here this evening to the warm welcome of more than 900 spectators.

Attending the opening performance were Suriname's Acting President Fred R. Misier and his wife, Garrison Commander R. Horb and cabinet ministers.

In an impromptu speech at the opening ceremony, Cultural Minister R.A. Kamperveen extended a warm welcome to the Chinese artists. He said that the Surinamese people love Chinese art and he believed that the cultural exchanges between the two countries can be strengthened and developed further.

Earlier in the day, Kamperveen received all members of the artists group at his office and had a warm and cordial conversation with them. Chinese Ambassador to Suriname Li Chao was present on the occasion.

The Chinese artists groups arrived here yesterday for a nine-day performance tour.

RENMIN RIBAO EDITORIAL ON EDUCATION OF WORKERS

OW231259 Beijing XINHUA Domestic Service in Chinese 0756 GMT 23 Feb 82

[Text] Beijing, 23 Feb (XINHUA) -- Today's RENMIN RIBAO carries an editorial entitled "Do a Good Job of Education Among Workers and Staff."

In his 10 principles for future economic construction, Comrade Zhao Ziyang pointed out: We must train large numbers of specialists of all grades in all lines and large numbers of competent workers for our modernization program. This is of paramount importance.

In his report [to the Fourth Session of the Fifth NPC] he stressed: "We must conscientiously carry out the 'Decision on strengthening education among workers and staff' adopted by the CCP Central Committee and the State Council, and do it more effectively."

In the past year, various areas and departments have achieved initial results by conscientiously carrying out this "decision." Practical experience shows that doing a good job of education among workers and staff is of great significance in developing intellectual resources, training talented people, developing production and construction and achieving better economic results.

The modernization program calls for raising the cultural and technical level of our workers and staff, which is a top priority task. Of our workers and staff throughout the country, a number of veteran workers have a rather low educational level. As for the younger generation of workers, their studies were interrupted by the 10 years of internal disorder. As a result, the cultural and technical level of our workers and staff is low. That has hampered the improvement of productivity, the adoption of new technology, effective use of imported equipment and the increase of economic results. To solve this problem, great efforts must be made to carry out education among workers and staff in order to generally raise their political, scientific, cultural and technical level.

In strengthening education among the workers and staff, two important things must be done: 1) it is necessary to train leading cadres; and 2) young workers and staff and those in the prime of life should receive political and ideological education and attend make-up cultural and technical classes. Young workers and staff and those in the prime of life account for more than 50 percent of the total number of workers and staff, and 70 percent of them should attend make-up classes. During the "sixth 5-year plan" period, some 20 or 30 million young workers will reach the educational level of a junior middle school graduate or the technical level of a grade 3 worker by attending make-up classes. The task of holding make-up classes is very arduous, and time is pressing. Therefore, we must do it well. We must exert ourselves to make a breakthrough in this regard this year and to make bigger progress in the next few years. We can no longer delay this.

Doing a good job of education among workers and staff is essentially an investment in intellectual resources. Such investment should correspond to production and construction. At present, education among workers and staff should be carried out in coordination with enterprises' technical transformation. It is necessary to impart to workers and staff the cultural and technical knowledge they urgently need and to give them various kinds of basic and special technical training. In this way, large numbers of workers and staff will be able to give full scope to their wisdom in the technical transformation and to use their scientific knowledge and technical experiences to make reasonable suggestions and technical innovations and to participate in the design and manufacture of new products and in tackling difficult problems in scientific research.

Education among workers and staff members should also be carried out in connection with the reorganization of enterprises. All workers and staff should be trained in a planned way in coordination with the work of consolidating labor organizations and labor discipline and instituting the economic responsibility system. When a plan for labor organization is made, it is necessary to hold study classes to train cadres, workers and staff in rotation, for which they may be released fully or partly from productive work.

Some big enterprises should create conditions for setting up training centers; medium and small enterprises may make concerted efforts to set up such centers, or departments in charge of such enterprises may build training centers for them.

Leading comrades at all levels should fully understand the importance and urgency of education among workers and staff. They should be farsighted and consider this matter from a long-term viewpoint. They should not regard the education of workers and staff as a "soft task" or an added burden or even only engage in production without taking care of education; much less should they only pay lip service to the education of workers and staff and issue general directions in this regard. They should effectively solve practical problems arising in running study classes and teaching. Every effort should be made to support the masses' desire for study and to create favorable conditions for their studies.

DEPARTMENTS TO RESTRAIN DURABLE GOODS' OUTPUT

OW240413 Beijing XINHUA Domestic Service in Chinese 0017 GMT 21 Feb 82

[Text] Beijing, 21 Feb (XINHUA) -- The State Council's departments concerned have decided to adopt administrative and economic measures to enforce planned production of four durable goods, namely, bicycles, sewing machines, wristwatches and clocks in an effort to prevent and combat the tendency of unrealistic development of production of these products.

This decision was announced recently in a circular jointly issued by the State Planning Commission, the State Economic Commission, the State Machine Building Industry Commission, the Ministry of Light Industry, the Ministry of Finance, the People's Bank of China and the People's Construction Bank of China.

It has been learned that, after the national conference on mechanical and electrical products last year promulgated the main points of the 1981-1985 development plan for these four products, various departments concerned, as well as various provinces, municipalities and autonomous regions, began to combat the tendency in which these products were being produced in an unrealistic manner. Some areas, however, have continued to increase the number of production points. Certain enterprises assigned to produce these goods have exceeded planned production quotas, and some have expanded their production scale. At present, there are more than 240 plants in the country producing bicycles, sewing machines and wristwatches, exceeding the plan by 60 percent; various provinces, municipalities and autonomous regions have generally exceeded the production plans they formulated by 15 to 30 percent; and various enterprises have exceeded their production targets by as much as 40 to 50 percent. The circular says that such thoughtless development will certainly cause a waste of state funds, shoddy workmanship, poor economic benefits and unsalable products because of oversupply.

For this reason, the circular stresses that all areas and all departments concerned must enforce planned production of bicycles, sewing machines, wristwatches and clocks, pay attention to actual economic benefits, and strictly implement the principles, policies and regulations stipulated in the state plan.

It says that those enterprises designated to produce these goods must formulate their own development plans and prefulfill the targets for 1985 according to the requirements stipulated in the state plan, but that they must not exceed the scale of expansion stipulated in the plan.

The circular adds that those production units that have not been designated to produce these four types of goods will be restructured by various areas with assistance from various departments concerned, the banks will no longer grant loans or allocate funds to these enterprises, departments concerned will no longer supply them the blueprints, the technical information and parts (including defective parts) and will no longer provide technical training for the workers of these enterprises.

The circular also stipulates that enterprises currently engaged in production of the four products mentioned above will no longer enjoy tax reduction and tax exemption.

Product Planning Stressed

OW240353 Beijing XINHUA Domestic Service in Chinese 0113 GMT 21 Feb 82

["XINHUA Reporter's Commentary: 'It Is Necessary To Strengthen Planning While Developing Mechanical and Electrical Engineering Products for Daily Use'"]

[Excerpts] Beijing, 21 Feb (XINHUA) -- A new phenomenon can now be seen in the city market: The supply of television sets, electric fans and wristwatches, which lagged behind demand 2 years ago, has been considerably eased; washing machines, radio-recorders and refrigerators, which were rarely seen, are in increasing supply; general brand bicycles and sewing machines are reasonably easy to obtain, although products of the famous brand are still in great demand. The people have experienced, from the development of the phenomenon, the merits of economic readjustment and deeply realize that the government's policy to vigorously develop the production of consumer goods is correct.

However, we must admit that blindness in varying degrees still exists in developing the production of mechanical and electrical engineering products for daily use. According to incomplete statistics, there are some 240 enterprises manufacturing bicycles, sewing machines or wristwatches throughout the country, surpassing the state quota by nearly 100. The development of electric fan manufacturing enterprises is even more excessive. Last year, there were some 3,400 enterprises throughout the country and in one county alone, there were over 60 plants manufacturing electric fans. Similar situations exist in the production of other mechanical and electrical engineering products. Aimless development has wasted government funds and caused slow selling or overstocking of some goods. According to statistics, wristwatches, television sets, transistor radios and other products kept in stock by departments under the Commerce Ministry alone, towards the end of last year, increased from 30 to more than 100 percent over the previous year. The overstocking of transistor radios, electric meters and alarm clocks is especially serious.

In order to avoid and overcome this blindness, the government last May formulated, on the basis of market forecasting, the 1981-85 plan for developing the production of 10 major mechanical and electrical engineering products for daily use, which specifically assigns the enterprises for manufacturing the products, thereby effectively strengthening planning in the production of mechanical and electrical engineering products for daily use. However, a few localities and departments have failed to accept the guidance of the state plan and ignored the objective law concerning the consumption and production of the products. Such a situation merits our due attention.

Of course, many localities were not totally heedless of state guidance while developing production of mechanical and electrical engineering goods. When formulating the production plan, these localities frequently took into consideration only the microscopic aspect of current production and marketing and failed to weigh the macroscopic aspect of long-range changes in production and marketing.

Therefore, while stressing planning, we must combine the macroscopic and the microscopic aspects and immediate and long-range needs and uphold the principle of giving priority to the state plan and guidance.

In short, strengthening the state planning and guidance and overcoming the tendency of blind development is a major problem to be solved in developing mechanical and electrical engineering products. It is suggested that localities and departments concerned adopt administrative and economic measures to ensure the implementation of the state plan.

PUBLICIZING ECONOMIC SITUATION RECOMMENDED

OW231355 Beijing XINHUA Domestic Service in Chinese 1205 GMT 21 Feb 82

[Text] Tianjin, 21 Feb (XINHUA) -- Data provided by the national industrial and communications conference now in session in Tianjin have demonstrated that explaining and publicizing the economic situation among workers and staff members by itemizing accounts is an effective measure.

In response to the people's reaction to the rising prices of tobacco, wine and other commodities in Liaoning Province, leading cadres at all levels under the guidance of the Liaoning Provincial CCP Committee went to factories and other enterprises during the Spring Festival this year to explain and analyze realistically how price hikes affected the people's livelihood and at the same time to publicize the series of important policies and measures adopted by the state in the past several years to improve the people's livelihood. They have achieved good results in their endeavor. According to statistics compiled by Shenyang, Anshan, Fushun and Yingkou cities, cadres at the factory level and above have given lectures on more than 4,800 occasions and 1.27 million workers and staff members, after listening to the lectures, have engaged in activities to keep living expense accounts. In so doing, they have come to realize that while the price hikes of tobacco, wine and other commodities did indeed have an impact on their livelihood, the actual income of workers and staff members has also increased and their livelihood improved. Some workers said: "Without keeping accounts we knew nothing but once we kept accounts we realized that it would be irresponsible talk to continue to say that there was no improvement in our livelihood." Many workers and staff members felt better and became more active once they kept accounts. They pledged that they would "think and work and be responsible like masters of the country."

Comrades attending the conference pointed out that since the 3d Plenary Session of the 11th CCP Central Committee, the state has made tremendous efforts even under rather difficult economic conditions to improve the people's livelihood. As a result, not only the livelihood of the broad masses of peasants has improved in varying degrees, but most workers and staff members in the cities have also received bigger wages and have benefited from the bonus system, expanded housing construction, increased job opportunities and various kinds of financial subsidies provided by the state. In the past we failed to clearly and timely explain all these facts to the masses.

The fact that Tianjin, Liaoning and other places achieved good results in educating the workers and staff members on the economic situation shows that as long as the truth is explained clearly, workers and staff members will understand the situation quickly, place the relations between the state, enterprises and individuals in the correct prospective and pursue the four modernizations more vigorously.

Comrades of the State Statistics Bureau attending the conference cited a host of facts to explain the changes experienced by workers and staff members in the past several years regarding their income, living conditions and the employment of their sons and daughters. They said: On the one hand we must squarely face the fact that commodity prices have increased, that some of the workers and staff members did not get a pay raise and received no bonuses and that we must help solve the hardships faced by some of the people; on the other hand, we should recognize the basic fact that the livelihood of most workers and staff members has been improved. For example, with the development of the national economy and the increase in the workers' income, in 1981 the average per-capita consumption of grain in cities and towns rose from 411 jin in 1978 to 432 jin; of edible vegetable oil, from over 8 to over 12 jin; of pork, from over 27 jin to over 33 jin; and of cotton cloth and cloth made of chemical fibers, from 42 to 50 feet. The average number of sewing machines per 100 persons increased from 8 to 13; bicycles, from 23 to 31; wristwatches, from 25 to 54; and television sets, from 1 to 5. While consumption levels rose, people's savings deposits in cities and towns also increased 2.3 times, from 15.3 billion yuan in 1978 to 35.4 billion yuan in 1981.

Some comrades attending the conference said that this method of publicizing the economic situation by itemizing accounts which enables workers and staff members to realize things for themselves can be easily grasped by the people and make them understand that the party's policies and socialism are good. They emphasized that we must make workers and staff members understand, through keeping accounts, that although our economic foundation has been weak, the state has done its utmost in the past several years to improve the people's livelihood, that the level of the people's livelihood cannot be raised excessively at present, that workers and staff members must understand the truth about "feeding ourselves and carrying out construction at the same time," because only by developing production can we further improve the people's livelihood.

We must, through publicity and education on the economic situation, foster good ideas among workers and staff members, ideas characterized by love for the party, the country, socialism, enterprises, collectives and their own work, to ensure that personal interest is subordinate to collective interest, partial interest is subordinated to the overall interest and immediate interest is subordinated to long-term interest in order to make more contributions in sharing the burden with the state.

YANGCHENG WANBAO DISCUSSES FOREIGN INFLUENCES

HK190920 Guangzhou YANGCHENG WANBAO in Chinese 11 Feb 82 p 2

[Article by Xun Ru [6676 1172]: "'Giving' and 'Taking'"]

[Text] Since the smashing of the yoke of "having the door closed to foreign nations" and the implementation of the open-door economic policies, our field of vision has really been widened, enabling us to see today's fast-developing world. Where economics and science and technology are concerned, various forms of joint ventures using Chinese and foreign investment have actually speeded up the building of socialist modernization. Nevertheless, this question reminds me of a short essay of Mr Lu Xun entitled "The Takeover Policy," which was written about half a century ago.

Mr Lu Xun opposed the "closed-door policy," which advocated "not taking the initiative to go or allowing others to come," because the adoption of the policy would only result in our being closeted. Regarding good foreign things which are essential to us and which can be used by us, we should take the initiative to go and get them. This is what is called "the takeover policy." Historically, our country's "closed-door policy" was smashed in the Qing Dynasty by the guns of foreign countries. Because of this we did not get things from foreign countries on our own initiative but were given things by the foreigners. "First of all, we had opium from Britain, useless guns from Germany. Then, we had perfume from France, movies from the United States..." and thus, people of our country were "frightened" by all these. But all this was in the past. In implementing the open-door economic policies today, we are not reenacting history. Rather, being masters of a socialist country, we are acting on our own initiative to make use of foreign investment and importing technology in order to benefit the building of socialist material and spiritual civilization in our country. But, after all, it is beneficial to review history in actual practice because some of our comrades do not have a thorough understanding of the difference between "give" and "take."

Let me cite some examples: Over the past few months, all places throughout the country have been vigorously encouraging practicing economy in holding wedding ceremonies, which is a good thing in the building of socialist spiritual civilization. However, at the same time, we saw in the papers an advertisement by a restaurant in Guangzhou, which is run with the assistance of foreign capital, for handling wedding banquets and renting formal attire for weddings...

The adoption of the open-door economic policies will definitely bring the ideology of capitalist societies, and the bourgeois way of life and customs will inevitably pound at our society. That is why we are strengthening ideological and political education and resisting the corrupt bourgeois way of life. This is a serious task of our struggle. But on the other hand, we have seen some so-called "first-class" guesthouses and, with the assistance of foreign investment, the opening of ballrooms which are like low-class nightclubs in Western societies. They have openly imported the debauched way of life of Western societies.

Everyone wants to look good. It is irreproachable for our female comrades to have their hair permed or to put on more stylish clothes. However, we heard that some individual joint ventures using foreign investment had imported first-class hair-dressing equipment and cosmetics from Western countries. In such beauty parlors, everything is foreign-made and our female comrades have to pay 15 yuan each time to get a perm. We should pay attention to this. First of all, under the situation in which our country is not earning sufficient foreign exchange, is the use of our limited foreign exchange to import advanced hair-dressing equipment and high-class cosmetics a top priority task?

Second, it is also doubtful whether our female comrades are desperately in need of foreign hair-dressing equipment to get a perm or of cosmetics to make themselves up.

In addition, we are currently encouraging transforming social traditions, reforming funerals and interments, propagating the abolition of burial in the ground and encouraging cremation. However, certain places are working in cooperation with foreign investment to open up graveyards in Mainland China and selling them to our compatriots in Hong Kong and Macao. This poses an obstacle to reforming funerals and interments.

All the above are examples chosen at random, and they all bear the same characteristic -- putting on a show to rival our building of socialist spiritual civilization in our country. Why do we get such results? As Mr Lu Xun said: "It is because these things are 'given' to us and are not 'taken' by us." In making use of foreign investment, we must be clear-headed. In carrying out cooperation with foreign investors, we must recognize that their sole aim is making profits; and in order to make profits, they will work in accordance with their desires and ways of thinking, "giving" to us what they think will bring them profits. However, our goal is the building of socialist material and spiritual civilization. In considering what kind of joint venture businesses are to be carried out, we must weigh the advantages and disadvantages and compare the gains with the losses. First of all, we must have a clear idea of our aim and seize the initiative to "take" that which is beneficial to us. We can never be "blind," allowing others to "give" things to us at their discretion, because things "given" to us by others are usually disadvantageous to the building of the four modernizations, and they may even pollute our spiritual life. Mr Lu Xun said: In regard to foreign things, "we must use our brains, widen our fields of vision and take them over." We always console ourselves, saying we have to pay a price in doing a new kind of job. This is quite true. However, by seriously summing up past experiences, we will be able to reduce unnecessary costs in our education.

COMMENTATOR ON GOOD UTILIZATION OF WATER AREAS

HK200625 Beijing RENMIN RIBAO in Chinese 14 Feb 82 p 2

[Commentator's article: "We Should Attach the Same Importance to Water Areas As We Do to Land Areas"]

[Text] The territorial resources of our country are characterized by limited arable land, many mountains and vast water areas. As far as the resources of fresh water areas are concerned, numerous sources can be tapped for developing the rural economy and the diversified economy. If we can attach the same importance to water areas as we do to land areas and utilize them to the full, we will be able to accumulate enormous wealth for society.

In utilizing water areas, we can concentrate our efforts on breeding fish, shrimp or crab and we can also grow lotus root, water caltrop, gorgon fruit, or reeds, or raise waterfowl or aquatic animals. Water areas are necessary for developing industrial and agricultural production and improving the people's livelihood. The full utilization of various types of water areas and the development of aquaculture cannot only change the distribution of aquatic production and increase the supply of fresh and live aquatic products locally or in the neighborhood, but is also favorable to the improvement of agricultural structure in a broader sense, to the accomplishment of a benign ecological cycle and environment and to the all-around development of agriculture as a whole. Having several hundred million mu of water areas and sea beaches, large tracts of low-lying marshland, a long history of aquaculture, comprehensive technique and rich experience, China has very great potential for developing aquaculture which should not be overlooked.

The key to the full utilization of water areas for the development of aquatic production lies in raising the understanding of the leadership at various levels. In developing aquaculture, no arable land will be taken up, and there is no need to worry about the sales of the products. The economic return from 1 mu of well-utilized water area is equal to that from 2 or 3 mu or even more farmland, and the production value of a fish-raiser is equal to that of several laborers of the same class engaged in field cultivation.

In recent years, more and more people have realized the benefit of fully utilizing water areas and the situation has greatly changed in which "people take no account of fisheries." This is an important reason why the yield of freshwater fish in our country has increased by a fairly big margin for 3 consecutive years. In a few places, however, the phenomenon of "nobody being concerned about 10,000 mu of wasted water areas" still exists and, throughout the country, nearly half of the water areas that could be utilized have not been. Most of the water areas that have been utilized yield little economic results and the volume of commodities is small. This waste of our resources should continue no longer.

We will achieve marked results if we organize the masses for raising fish. Take raising fish in fishponds, for example. In Guangdong Province an average unit yield of nearly 400 jin has been attained in its 1.2 million mu of fishponds; even in the severe cold region of Heilongjiang Province, there are also quite a few places where per-mu yield has exceeded 300 jin over wide areas. The main task in developing freshwater aquiculture in the near future is to try by every means possible to increase the yield per unit area and improve the economic results. In the light of the present technical level in fish-raising and the relevant conditions, it is necessary to pay attention to small water areas and do easy work first, tackling wider water areas and difficult work later. While making great efforts to increase the utilization of various types of water areas, it is necessary first of all to pay close attention to small water areas such as ponds, with state enterprises, the collectives and the individuals acting simultaneously. But the focal point of the work should be placed on fish-raising by production teams and peasant households.

After the orientation for the main effort has been made clear, it is necessary to conscientiously implement the relevant policies of the party and mobilize the initiative of the commune members; and effective measures should be adopted in order to solve one by one the major problems that arise in the course of development production. First, it is necessary to institute and put on a sound basis the various forms of production responsibility systems in light of local conditions. In localities where the system of "assigning farm output quotas for each household and assigning the households full responsibility for task completion" has been implemented, good arrangements should be made for providing the grain ration and fish food of the professional fish-farming teams, households and laborers. Second, it is necessary to solve problems concerning the supply of fish fry. The production of fish fry should be carried out on a county basis by assigning a certain hatchery to be responsible for the supply of fry to the designated areas, and fish-farming units should manage to raise fry for their own use. Newly-developed areas should pay close attention to the question of setting up fish fry stations or farms. Third, it is necessary to popularize fish-farming techniques, give full play to the role of the existing technical personnel and vigorously initiate various kinds of technical training activities. Counties with vast water areas should set up technical advice stations and provide the communes with aquicultural technicians. At the same time attention should be paid to organizing a number of demonstration teams, households or ponds in order to gradually form a system of popularizing fish-farming techniques. Fourth, it is necessary to tap all sources of fish food by various channels. Under certain circumstances, fish food plays a decisive role in the development of fish production. All localities should make good arrangements for fish food, conscientiously popularize effective experiences, such as the integration of fisheries with animal husbandry and the use of greenfeed instead of concentrate, and improve the result of feeding by actively preparing conditioned granulated fish food. Fifth, attention should be paid to capital construction for various types of water areas. Small reservoirs that have been neglected for years should be improved in light of the construction of water conservancy works by making them deeper and preventing leakage, so that they can be used for raising fish and irrigating and draining farmland. As regards fish farms on lakes and reservoirs, the focal point of our work should be placed on tapping potentials and rounding them off. Where conditions permit, all localities and big and medium cities should pay the same attention to the building of commodity fish bases as they do to vegetables and constantly raise the production level of fresh fish.

The principles and policies for developing freshwater fish farming have been made clear, and various localities have accumulated a number of high-yield models and experiences and lessons over the years. So long as we adroitly guide our actions according to circumstances, formulate our plans for development and do our work in a down-to-earth manner, it can be predicted that, after several years of hard efforts, great development will certainly be attained in China's freshwater fish-farming.

COMMENTATOR URGES CURBING SOIL EROSION

HK240534 Beijing RENMIN RIBAO in Chinese 17 Feb 82 p 1

[Commentator's article: "Curb Soil Erosion in the Spirit of the 'Foolish Old Man Who Removed the Mountain'"]

[Text] How the people of Jiyuan County in Henan Province have tamed the Mang River is really exciting news. In that county, there stands the Wangwo Mountain, which is said to be the home of "the foolish old man who removed the mountain," and the source of the Mang River. In the past, the area suffered heavy soil erosion. However, inspired by the spirit of "the foolish old man who removed the mountain," the people of Jiyuan County were determined to change the look of the Mang River Basin, where mountains were bare and the natural disasters of flooding and waterlogging were rampant. With more than 20 years of comprehensive efforts, the people of Jiyuan County have turned the basin into a prosperous countryside with a new look, where farming, forestry, animal husbandry, sideline production and fishery are being fully developed. This fact tells us that soil erosion can be curbed and the appearance of a poverty-stricken area of soil erosion can be changed if measures are taken properly and with perseverance.

Two-thirds of the territory of our country consists of such mountains and hills as in Jiyuan County, in addition to some tableland. Most of them are sources of upper or middle reaches of rivers. If the land areas are poorly covered with plants and too sloped, soil erosion always occurs. Statistics show that in the early postliberation period, soil erosion all over the country covered 1.5 million square kilometers, which constituted one-sixth of our land. Especially in the loess plateau in northeast China, soil erosion and resulting damage were much more serious than anywhere in the world. After the founding of new China, the party and government paid great attention to the arduous task of controlling soil erosion which was left over by history. Masses of people were extensively mobilized and organized to undertake construction projects as well as tree-planting. Efforts were made to curb soil erosion in a comprehensive way, and consequently, remarkable results were scored. However, the work of controlling soil erosion was hampered by the influence of the "leftist" guiding thought, and in particular, the influence of the 10-year turmoil. In some places, while the work of curbing soil erosion went on, sabotage occurred. Indiscriminate lumbering, reclamation and grazing have intensified soil erosion to a startling extent. To immediately reverse the trend is a task of great urgency confronting us.

Though our country is vast, water and soil resources are not rich. Half of our land is arid or semiarid, and cultivated land covers only 11 percent of the total area. So it is very important to treasure water and soil resources and to make proper use of them. According to estimates made by the authorities concerned, in our country, topsoil runs off by the billions of tons each year. Scientists estimate that it takes 200 to 400 years to form one centimeter of soil. Once the topsoil is washed away, it will hardly be replenished. Large quantities of fertilizer also run off as the soil contains plenty of humus, nitrogen, phosphorus and potassium. Wherever there is soil erosion, land becomes more and more barren, soil becomes much drier, and arable land becomes less with each passing day. Soil erosion also leads to many other grave consequences. For instance, rivers are silted up and become narrower and narrower, the riverbed rises, and flooding and waterlogging are intensified. The Huang He has been called the "hanging river" because mud had been silting up for a long time. Heavy soil erosion also destroys the ecological environment, and causes some areas to be impoverished and backward over a long period of time. Some countries have termed soil erosion and environmental pollution as the two scourges, so we can see their gravity. We must fully realize the importance and urgency of soil and water conservation.

To carry out water and soil conservation, it is necessary to prevent further soil erosion, while efforts must be made to tackle the root of the problem, that is, stressing both prevention and control and combining control with management. In areas suffering heavy soil erosion, steps must be taken urgently to control erosion and to prevent further erosion by every means. Practices which destroy the plant cover of the earth's surface must be strictly banned, such as reclaiming land on slopes, damaging forests and pastureland, random wood-cutting, pasturing, mining and collecting of medicinal herbs. Measures must be taken to protect and restore plant covers while fundamental construction projects are being undertaken, such as mining, building factories, constructing highways, quarrying, and building irrigation works and hydroelectric stations. It is absolutely not permissible to continue the practice of doing construction work while tolerating destructive activities. It is necessary, by mobilizing and relying on the masses, to strengthen management and maintenance of all construction projects for curbing soil erosion and to keep on increasing their efficiency.

In China, the areas suffering soil erosion are vast, their concrete conditions differ in various localities and the gravity of the problem also varies. With a view to minimizing the damage and increasing benefits, it is necessary to do good planning, to suit measures to local conditions, to work in a comprehensive way, and not to concentrate on one thing only. This kind of work requires action from the masses of people who must have scientific knowledge as well. It is necessary to combine the immediate and the long-term interests of the masses and to fully boost the initiative of the masses in curbing soil erosion. A scientific attitude must be taken in all measures of building construction, afforestation and farming. Any practice which is divorced from reality, or involves "giving blind orders" will bring nothing but harm and will dampen the enthusiasm of the masses.

Prevention and control of soil erosion has an important bearing on the immediate and vital interests of the masses and the benefits for our offspring. The party committees and governments at all levels should tackle it as an important matter. Farming, forestry, animal husbandry, irrigation, transportation, mining, capital construction, scientific research and school activities should all be coordinated, and common efforts must be made to step up the work of and make great progress in controlling soil erosion. In the past, some comrades took a passive attitude to the work. Assuming that soil erosion was "a chronic disease," they thought that it sounded as "distant water cannot quench the present thirst." This is entirely wrong. The progress achieved in Jiyuan County and in many of other localities has set a good example. As long as we persevere in curbing soil erosion, outstanding results can certainly be achieved.

RENMIN RIBAO COMMENTATOR ON NONFERROUS METALS

HK220755 Beijing RENMIN RIBAO in Chinese 15 Feb 82 p 2

[Commentator's article: "It Is Necessary To Attach Importance to the Nonferrous Metal Industry"]

[Text] The nonferrous metal industry occupies a very important position in the national economy. With the development of the production of consumer goods and the development of energy resources, communications, transportation and construction, with the reform in the composition of iron and steel industrial products and an increase in the proportion of steel in alloys and also with the modernization of national defense industries and the expansion of foreign trade, new demands have been imposed on the nonferrous metal industry. For example, an installed 10,000-kilowatt generator calls for 600 tons of brass, aluminum and lead. The national annual consumption of aluminum for receptacles and cigarette and food packaging has reached 100,000 tons. Aluminum consumption for the transportation and construction industries has, in some countries, represented over 60 percent of total output.

For a long period of time, our country did not have enough nonferrous metals to meet its own needs. Our imports of this type increased from year to year.

The proportion of our traditional exports on the international market also dropped. We suffered from a great shortage of products that are urgently needed on the international market. This directly affected our economic construction and the people's everyday needs. Judging by the situation as a whole, the nonferrous metal industry now still cannot adequately meet the needs of the national economy. We must work hard developing the nonferrous metal industry. This is necessary in developing the national economy. It also represents a glorious duty of the masses of workers in the nonferrous metal industry.

Our country has a relatively rich supply of nonferrous metal resources of almost every type. This is our strong point. After 30 years of effort, the nonferrous metal industry has built a relatively substantial material and technical foundation, mastered such related techniques as mining, smelting and processing, and is equipped for further development. In the past 2 years, scientific research has been energetically started in such areas as mining, ore dressing, smelting, processing and comprehensive utilization. The quality of products has steadily improved. Further progress has been made in comprehensive utilization. Exports have reached a relatively satisfactory level. Therefore, we have every confidence that the nonferrous metal industry can be pushed forward.

The nonferrous metal industry involves a relatively large consumption of energy and a particularly large consumption of electricity. The aluminum-smelting industry has traditionally been called "a tiger with a voracious appetite for electricity." Its electricity consumption accounts for over 40 percent of the energy consumption of the nonferrous metal industry. In developing the nonferrous metal industry, we must pay attention to rational distribution. Resources for our nonferrous metal industry are distributed over a wide area. Where favorable conditions exist for the utilization of water and electricity resources, we would do well to combine utilization with the tapping of new water and electricity resources, in order to improve economic results. This is to be taken as a strategic measure.

Of the total consumption of nonferrous metals, brass, aluminum, lead and zinc account for around 96 percent. In light of the resources in our country and production practices, economic results are better in the development of aluminum, lead and zinc than of brass. In the future, we must for some time to come follow the principle of giving priority to aluminum and proper attention to lead and zinc and the development of brass where conditions exist, cashing in on our strong points and steering clear of our weaknesses and accelerating the developing of nonferrous metals. It is not proper to press on with everything all at once without regard to economic results.

Nonferrous metal deposits are the common source of many kinds of metals. If we develop extraction of valuable elements from ores to the fullest, we could have the equivalent of several mines where now there is only one, and the equivalent of several factories where there is only one. For example, 70 percent of all raw sulphuric acid used and 1/4 of the gold and most of the silver produced since the founding of the PRC have been retrieved through the comprehensive utilization of nonferrous metal deposits. If we do a good job of comprehensive utilization, we cannot only exploit resources to the fullest but also improve economic results. Many elements of nonferrous metals can be retrieved as treasures. On the other hand, if thrown away, such elements will only prove a source of harm. With the matter of comprehensive utilization well taken care of, we can serve the well-being of our descendants. In exploiting nonferrous metals, we must take comprehensive utilization as a major technical and economic policy and let it permeate through the whole process of production, beginning with geological prospecting.

Science and technology plays an especially important role in the development of the nonferrous metal industry. The nonferrous metal industry involves many varieties. Relatively great difficulties are entailed in mining and processing. Technical skills are also relatively complicated. If we want to accelerate development, increase variety, improve quality, and open up a market, we must count on scientific and technical progress. Scientific research work must be made an important part of the effort to develop and draw up plans for the nonferrous metal industry.

XUE MUQIAO ON ECONOMIC MANAGEMENT SYSTEM REFORM

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[Article by Xue Muqiao [5741 2550 2890]: "Problems To Be Solved in Reforming the Economic Management System"]

[Text] Since the 3d Plenary Session of the 11th CCP Central Committee held in winter, 1978, we have already obtained remarkable success in reforming the economic management system in our country. However, we have only covered a short distance in our long march and there have been many difficulties and problems in our way. The general orientation of our reform is correct. But at present, it is still hard for us to elaborate a comprehensive policy with a view to overcoming the many difficulties in our way. This is a problem to be solved gradually in practice.

For 3 years we have mainly been endeavoring to carry out a twofold reform of our system. On the one hand, there is a vertical reform which consists of granting greater autonomy to the regions and especially to the enterprises, introducing separate bookkeeping into the financial system, allowing enterprises to retain part of their profits and implementing the economic responsibility system at all levels. As a result of this reform, which may be called a reform in distribution, the enthusiasm of the regions, enterprises and working people has been mobilized. On the other hand, there is a horizontal reform which consists of creating more sales outlets for products. Thus we have started changing commercial monopolies and bringing production and marketing into harmony. We are learning how to bring into play the market forces so as to complement the socialist planned management. This may be called a reform of circulation. The vertical reform and the horizontal reform should be complementary to each other. But for lack of perfect overall planning, some contradictions have cropped up. For instance, to keep separate financial accounts sometimes became an obstacle to interregional exchange of products and impeded enterprises of different provinces or cities from joining hands; for lack of strict control over profit sharing, there were malpractices in enterprises such as squandering premiums (including the providing of allowances not provided for in the budget) and covertly raising prices; the free play of the market forces sometimes performed negative functions with respect to unifying supply and demand of products since at present it is impossible to adjust prices on a large scale. Generally speaking, our achievements outweigh our shortcomings and these may be overcome if we make an effort.

The well-known West German economist Gu-tuo-fu-si-ji [0657 2094 1133 2448 1015] has expressed his views after having recently looked into our economic management system reform. In his opinion, the system reform that we are carrying out in our country is mainly a microeconomic reform, which does not fit in very well with the macroeconomy; the outcome of our system reform primarily depends on whether we are able to reform the pricing system which appears outdated and inflexible. In order to let the market perform its functions, taxation and the banking system have to be brought into full play, yet China does not fully realize the importance of adjusting tax rates, has not set up a central bank which is in a position to regulate credits, and is not good at checking credit overexpansion by means of adjusting interest rates. He has also said that in a capitalist country, enterprises only take into account their own interests without bothering about the interests of the state and that is why the state must resort to legislation in the economic field in order to control and supervise private enterprises. It is doubtful whether all the enterprises in a socialist country care about the interests of the state. All these views deserve our attention. In the past, our management system was over-centralized and thus failed to induce the regions, especially the enterprises, to display their initiative. This is where we should focus our efforts while reforming our economic management system. But once the enterprises are allowed to show initiative, it is necessary to manage the economy by applying economic methods; by using pricing, taxation credits and other economic levers, to gear the economic development to the requirements of the state plan; by resorting to economic legislation and state supervision and inspection, to provide against malpractices in enterprises, which are to the detriment of the national interest.

The socialist economy is essentially a planned economy as opposed to the capitalist market economy. In order to make sure that the national economy develops proportionally and according to plan, the state must include in the state plan all important economic activities, such as the ratio between capital formation and consumption of the national income, the proportion that each sector comprises in the national economy, regional economic development plans, major construction projects which will have a bearing on the national economy as a whole and the production and distribution of goods of vital importance. However, apart from the important undertakings which are vital parts of the economy, the state is by no means in a position to directly manage all the economic activities of the country, the majority of economic activities having to be managed by local authorities at various levels and even by grassroots enterprises, with the provision that they are under the guidance of the state plan. There are several hundred thousand state owned enterprises (in industry, agriculture, commerce and communications and so on) and several million enterprises under collective ownership in our country. In order to allow them to keep their own independent economic cost accounts, commodities have to be exchanged according to the principle of exchange at equal value. In order to meet the various requirements of the society, we must, while guided by the state plan, use the market forces as a regulator so as to complement regulation by planning. The imperfections in our past economic work are twofold: First, production and construction plans which were beyond objective possibilities made the national economy ill-proportioned. To correct this error, the national economy has to be readjusted. The other error consisted of limiting the autonomy of regions and especially that of grassroots enterprises, trying to put all economic activities into the state plan, and neither was aware of nor good at using various economic levers which could regulate the market and which were therefore complementary to the state plan. The current economic management system reform aims at extending, to various degrees, regional, and especially enterprise's, autonomy and making systematic use of the regulating function of the market. This requires our planning and business administration departments to acquire the skill of manipulating economic levers with a view to inducing grassroots enterprises to engage in activities which meet the requirements of the state plan.

The first economic lever is the price mechanism. To use the law of value as a regulator means, in a way, to regulate the supply and demand relationship of all kinds of products through the price mechanism so as to ensure proportional development of the national economy. This most important economic lever must be appropriately manipulated if we want to use the law of value to improve our planned management and let the market perform its function as an auxiliary regulator. We must see to it that prices are fixed in agreement with the law of value. If our planned prices seriously contravene the law of value, then products which are in fixed supply will be of high price and have high profits while products that are in short supply will be of low price and profitability and even incur losses. Thus it will be hard for us to fully realize our state plan and impossible for us to eradicate gaps between production and marketing (the glut of some products and short supply of some other products). Making use of the price mechanism derives greater significance once enterprises enjoy greater autonomy and the market has started performing its regulatory function. At present, since there are still problems in the national economy, we may not adjust prices on a large scale and therefore have no choice but to rely on political and ideological work to resolve the contradiction between the supply of and demand for many products. For instance, on the one hand, we refuse to adjust prices while on the other hand we are criticizing some enterprises for neglecting the national interest, for their egoism in the sense of "making all out efforts when high profitability is expected, little effort when low profitability is expected and no effort at all when no profits or losses are expected." In this way, we are contradicting the principle of bringing into play the enthusiasm of the enterprises by means of economic incentives. If an enterprise obtains no profits or even suffers losses, then, on the one hand, it cannot meet its quota of profit to be turned over to the state and on the other hand it is not in a position to look after the welfare of its personnel. Being under pressure from both sides, the enterprise lives in hard times.

That is why some enterprises are even asking to be allowed to resume past practices. To subsidize the enterprises which operate at a loss is an expedient measure. The root cause remains intact. This year, since we want to stabilize prices, more and more enterprises have been operating at a loss. This reduces the financial revenue of the state, and moreover, in order to reduce their losses, the enterprises cannot but reduce the output of those products in short supply and for which there is a great demand on the market. Obviously, if we do not make steady price adjustments as our economy further improves, we can hardly realize planned regulation.

In the past few years, due to the huge financial deficits and a certain degree of inflation, stabilizing prices has now become an important political task and all the people in the country demand that we should be cautious while adjusting prices. As regards important consumer goods such as cereals, cotton fabrics and other necessities of life, they have to be subsidized for quite a long period of time to come. But the number of subsidized commodities should be limited. In order to alleviate the financial burden, accelerate the circulation of commodities and help unify supply and demand, it is necessary to prudently scale up or down the prices of many articles of daily use, once investigations have been conducted in this regard. Adjusting unreasonable prices is not only an important lever for ensuring supply and demand equilibrium, but also an important prerequisite for extending the enterprise's autonomy and implementing the economic responsibility system. The purpose of extending the enterprise's autonomy and implementing the economic responsibility system is to do away with the past practice of "eating out of the same big pot" and to push enterprises to achieve higher economic efficiency while setting up a sounder business accounting system. The existing pricing system, which is irrational, results in the transfer between enterprises of values and profits that they have created since goods are exchanged at unequal value. Consequently, it is impossible to carry out true business accounting and there is serious inequity insofar as profit sharing is concerned. The solution that is being adopted is the raising of the percentage of profit submitted by the enterprises which manufacture products selling at a high price and a high profit, while giving financial subsidies to the enterprises which manufacture products selling at a loss. This is still de facto "eating out of the same big pot" and does not enable us to judge the management level of an enterprise from its profitability. It is particularly difficult to prevent the enterprises producing a large variety and a wide range of products from "making all out efforts when high profitability is expected, making little effort when low profitability is expected and making no effort at all when no profits are expected." To take steel plants as an example, there is a glut of some steel products while others are in short supply. To a large extent, this is because the prices of thousands of steel products have not been adjusted reasonably, therefore these prices have to be raised or lowered. Yet the complicated procedure of sharing out profits hinders reasonable price adjustment, for an adjustment of prices implies a change in the profit sharing percentage and thus becomes a bone of contention for all. Therefore, if not coupled with price adjustment, the present profit sharing system can still not serve the purpose of rooting out the practice of "eating out of the same big pot."

The second economic lever is taxation. In a capitalist country, the price is determined by the law of value in a spontaneous way and this is the principal mechanism for equating the supply and demand for all kinds of commodities. In general, the state does not intervene regardless of whether prices rise or drop. But in order to check the sale of some commodities or to encourage the sale of some others, the state resorts to taxation as a regulator, applying higher rates of tax to the former and applying lower rates of tax to the latter or even exempting the latter from tax. In the past 30 years, instead of taxation, we adopted the system of turning over profits to the state. Some comrades even advocated incorporating taxes into the system of turning over profits or even advocated abolishing taxes. In short, for a long period of time, taxation was not regarded as an important economic lever and almost lost its function. An 8 percent tax is levied on coal while the coal industry operates at a loss but a 5 percent tax is levied on petroleum which yields a lot of profit.

Similar cases are too common to enumerate. Taxes are a major source of revenue and have gradually gained a greater importance than profits since the economic management system reform. We must attach great enough importance to letting taxation perform its function, gradually turning it into the major source of revenue and another important lever for regulating supply and demand. Reforming our system of taxation and restructuring the fiscal bodies are not only urgent tasks in our current financial work, but also important elements in the economic management system reform.

It is convenient here to mention the matter of customs. In old China, the revenue mainly came from "customs duties, the excise on salt and consolidated industrial and commercial taxes." Customs duties occupied the first place in revenue. Moreover, it is common knowledge that customs duties are an important device for checking or encouraging import and export. In the past 30 years, since our foreign trade was monopolized, and profits and losses resulting from all kinds of imports and exports were consolidated, that is, we all "ate out of the same big pot," customs duties have been unable to perform the function of an economic lever. After abolishing monopolies in foreign trade and setting up separate profit and loss accounts for different import and export commodities, we have still not taken enough care to use customs duties as an economic lever. Instead, we have adopted the method of applying parallel rates of exchange and this is likely to throw the business accounting in our foreign trade into confusion. At present, the fiscal bodies have neither fully realized the importance of customs duties as a source of revenue (the customs duties received from January to August of this year have reached the whole year's target; apparently there is great potential in this regard), nor the importance of adjusting tariffs. This attitude must be changed immediately.

Bank interest is the third economic lever. In a capitalist country, there is free competition, the law of value and the law of profit equalization spontaneously orient production and investment although the state also occasionally intervenes. On the microeconomic side, the state mainly resorts to taxation to guide the production of enterprises and to orient investment. On the macroeconomic side, the state intervenes by means of controlling currency issue and changing interest rates through banks. In the 1930's, the capitalist countries believed that free competition could spontaneously unify supply and demand. The Great Depression at the beginning of the 1930's made the capitalist countries lose confidence in their laissez-faire policy. Thus, they emulated each other in adopting Keynes' theory, using deficit financing and inflation to stimulate investment and market demand to avert economic crises. In the past 30 years, with the growing rates of inflation and the recession which broke out in 1974, together with inflation, Keynes theory was condemned as worthless. At present, although the United States and Great Britain are taking the lead in implementing a restrictive policy, no effect on curbing inflation has been produced yet and another recession is imminent. Now all economists in the West advocate resorting to credit squeeze or credit expansion through the central bank to avert inflation or recession respectively. Due to the defects inherent in the capitalist system, they are unable to rid their countries of inflation and recession which break out either in turn or simultaneously. However, the important function of regulating the national economy that the central bank performs is already recognized by economists of all schools.

In the past 30 years, we regarded banks as the cashiers of the finance department, and did not let banks perform their function as an economic lever. In the past, the finance department was almost the only channel for allotting the funds of the society, collecting all receipts and paying all items of expenditure, while the regions and particularly the enterprises had no or few funds on hand. In the past 3 years, we implemented, in the enterprises, the system of keeping separate business accounts and the profit sharing system. In addition, we started financing capital investment by means of bank loans instead of funds appropriation. As more funds are available to the enterprises, the banks hold much more in deposits and therefore can replace the finance departments in financing a quite large part of medium-term and short-term construction projects and in providing enterprises with the funds they require for technological renovation. Thus banks have gradually become the main channels of circulation for the funds of the society and their tasks have been substantially amplified.

However, the existing banking institutions, (which do not have a central bank powerful enough to exercise overall control and do not have a complete banking system) and the interest rates policy do not quite conform with the tasks falling to them. Since we only know how to use state plans to control investment without knowing how to control investment through banks, the funds owned by the regions and particularly the funds owned by the enterprises have not been appropriately utilized and this has given rise to quite serious waste.

The main instruments that the central bank may manipulate for the purpose of controlling the funds in circulation of a society are the supply of currency and the adjustment of interest rates. We have always been attentive to the problem of controlling currency issue but have not given due consideration to the adjustment of interest rates. The interest rates prevailing in our country are too low to attract the funds of the society or to curb redundant construction projects which represent a waste. The enterprises are getting 1.5 percent interest on their bank deposits, which is lower than the inflation rate; therefore, they might as well use this money for self-financing. The interest rate on bank loans is also too low (4.2 percent) to deter enterprises from abusing bank loans for launching construction projects blindly. This is one of the major reasons why there was excessive investment in projects outside the state plan in 1980. In order to deter blind investment and to provide against credit overexpansion, it is essential to set up a central bank in the full sense of the term and to adjust interest rates on loans and deposits alike. (Gu tuo fu si ji) said: In a Western country, the central bank is opposed to the commercial bank in the sense that the commercial bank endeavors to expand loans and investment so as to get more profits, and thus often becomes a source of credit overexpansion, while preventing credit overexpansion is the main task of the central bank. The central bank has two means of limiting credit expansion, namely, requiring the commercial banks to keep a certain percentage of their deposits with the central bank as bank reserves and adjusting its discount rate. The central bank will raise the percentage of bank reserves or its discount rate when credit is overexpanded. We also have to reorganize the Bank of China, making it our central bank and separating its corporate banking from its retail banking, and on the other hand, we have to set up specialized banks so as to perfect our banking system. Meanwhile, it is necessary to raise interest rates to a reasonable level so as to enable our banks to perform their function of regulating the funds of the society and to provide against eventual credit overexpansion.

To give enterprises greater autonomy and to let the market forces perform their regulatory function does not mean that the state may relax its supervision and control over economic life. Unlike in the past when we used to put, as coercive measures, all economic activities of our enterprises into the state plan, economic levers are being used more often and economic legislation is being established with a view to inducing enterprises to engage in economic activities in compliance with the requirements of the state plan. In a capitalist country, the state also supervises enterprises' activities. But instead of state planning, it resorts to economic legislation -- to laws to control enterprises -- prohibiting them from engaging in economic activities which run counter to the interest of the capitalist country. In order to allow broader democracy, laws have to be laid down. Likewise, economic legislation has to be established for the state to exercise its regulatory power according to law, if enterprises are to enjoy greater autonomy. In the past 32 years, we have not cared much about economic legislation, and even now no civil law has been promulgated; in the past 2 years we only promulgated several laws concerning foreign investment while as regards economic laws and regulations, there are only a few "provisional rules and regulations" -- "provisional measures" which were worked out by the departments concerned on their own and often contradict each other. Since no due consideration has been given to economic legislation, commercial courts have not been set up everywhere. The supervision and control system set up within the finance department has also been paralyzed after being criticized during the "Great Cultural Revolution" for being "Meddlesome, oppressive and high-handed." This situation must be changed promptly.

In a capitalist country, enterprises are capitalists' private property and are therefore only managed in the interest of the capitalists themselves, the interest of the state and the people being totally ignored. In a socialist country, basically the interest of the state coincides with the interest of the enterprises and with that of the working people. But it is to be noted that there is also contradiction between the three interests. Many enterprises often only see their own interest, but lose sight of the national interest. From the viewpoint of the state, many enterprises which are technologically backward and cause serious waste ought to be shut down or converted; yet these enterprises often request fresh investment or loans to carry out renovation and become profitable enterprises instead of lame duck ones. If we invest in or grant loans to these enterprises, we will give rise to serious waste. Two years ago, many small cigarette factories were set up in tobacco producing regions. From the viewpoint of the enterprises, they are perhaps profitable businesses, while from the viewpoint of the state heavy losses have been caused. Especially when the enterprises have been allowed to have their own funds, greater autonomy is likely to give rise to serious waste if the state neither exercises control by means of state planning, nor resorts to pricing, taxation, interest rates and other economic levers to guide economic life. It is wrong to believe that once the socialist system has been established, all the economic activities of enterprises will automatically meet the requirements of the state. In the absence of control through state planning, without economic levers as regulators and failing administrative supervision and control at all levels, anarchy in enterprises' economic activities is still unavoidable.

In a socialist country, the working people are the masters of the state and their enterprises. But their status still cannot guarantee that they will conscientiously defend the interest of the state and their enterprises. What particularly deserves our attention is the fact that struggles between capitalists and employees in a capitalist country, who have contrasting interests, often result in compromise agreements on wages and bonuses. If employees demand too high a wage, capitalists would prefer to shut down, which is a cause of concern for the employees; and if capitalists pay too low a wage, not only will employees go out on strike, but they will also quit which is a cause of worry for capitalists. In a socialist country, many enterprise chiefs tend to side with their workers, being ready to pay more wages and premiums in order to please their workers on the one hand and to benefit themselves indirectly on the other hand. The party committees are supposed to represent the interest of the state and the whole people, but they may also get benefits while giving out more premiums (or allowances). In consequence, some comrades fail to adhere to principles and do not come out in a timely way to put an end to the phenomena of lavish premiums (or allowances). This is one of the main reasons why the premiums paid out have often exceeded the ceiling set by the state when greater autonomy had been granted to the enterprises. In order to put an end to these phenomena, the party Central Committee must order that the enterprise party committees shall stick to principles and act in the interest of the state and the whole people. Meanwhile, it must instruct the finance departments, banks, industrial and commercial administrative departments and statistics bureau to supervise and inspect the economic activities of enterprises, promptly uncovering and stopping malpractices such as padding costs, lavishing premiums and disguising prices rises. In particular, they must denounce corruption, waste and other illicit and undisciplined activities. Here political and ideological education plays an important role. However, if we do not carry out supervision and inspection, enforce laws and discipline at the same time, illicit and undisciplined activities will hardly die out spontaneously. In the past few years, the State Council repeatedly gave orders to stop lavishing premiums (including allowances outside the budget). But the amount of premiums grew every year and in some enterprises even far exceeded the ceiling fixed by the state. Many persons managing economic affairs even interpret the economic responsibility system simply as self-responsibility for profits or losses, piece rates plus premiums, and emulate each other in these regards. If we are unable to put an end to the phenomenon of abusing autonomy, there will be great trouble, of which we can hardly foresee the consequences.

The general orientation of extending the autonomy of enterprises and making appropriate use of the market forces as regulators is correct. We have only made the first step in this direction and must go further in the future. But, the greater the enterprise's autonomy, the more it is necessary for the state to guide and supervise economic activities by means of economic levers and economic legislation. While bringing into play the regulating function of the market forces, we must at the same time strengthen the management of the market and in particular manipulate well pricing, taxation, bank rates and other economic levers. When microeconomic activities become brisk, we must step up macroeconomic control, including planned management of the national economy. In the past, the shortcomings of our planned management system were: too extensive and too rigid control of the microeconomic activities (the economic activities of enterprises); the macroeconomic activities were out of control and even the various sectors of the national economy were out of proportion as a result of "more haste, less speed." In this regard, we are not going to relax our planned management. On the contrary, macroeconomically, we must tighten planned management, including using economic levers to guide the economic activities of enterprises. This requires our bodies in charge of economic management, especially the planning departments, to become acquainted with objective laws of economic development, and to manage the economy by appropriate economic methods. At the same time, we must not relax government regulation and supervision insofar as they are necessary.

I have put forward my opinions for discussion, being aware that some aspects may have been overlooked.

COMMENTATOR DISCUSSES LIVELIHOOD, CONSTRUCTION

HK241257 Beijing RENMIN RIBAO in Chinese 22 Feb 82 p 1

[Commentator's article: "First Feed the Population and Then Carry Out Construction"]

[Text] "The people's livelihood needs improving. The first thing to do is to feed the population and to give them enough to eat. They should be fed neither too poorly nor too well. The second thing to do is to carry out construction. If a country eats up and uses up everything, it is hopeless. A country has hope only if it still has strength to carry out construction after giving its population enough to eat." This quotation from Comrade Chen Yun has comprehensively expounded the dialectical relationship between improving the people's livelihood and carrying out construction.

Constructing the country and improving the people's livelihood are interdependent. They promote each other and condition each other. In the final analysis, the purpose of economic construction is to meet the people's needs in material and cultural life. However, there should be a prerequisite for improving the people's livelihood and this prerequisite is to carry out economic construction and to continuously expand production. Correctly handling the relationship between these two things is an important task our socialist country must fulfill. In this respect, we have successful experiences as well as lessons. We should sum up our experiences and lessons and correctly make arrangements for the people's livelihood and the country's construction in light of our country's actual conditions.

At present, some phenomena are worthy of our close attention. Some people only think of improving their livelihood and show no consideration for the country's construction. They would consciously or unconsciously eat up and use up everything. A small number of enterprises and the cadres of one or two places have disregarded the overall interests of socialism and the state law. They have employed various improper means to undermine the country. As a result, the country has suffered losses and the interests of the people have been impaired in consequence. For example, some enterprises are recklessly handing out bonuses and subsidies regardless of whether production has increased or whether the quality of products has improved.

In some localities, the peasants' income has been increased by raising prices at random and by using negotiated prices, paying no attention to whether or not the task of state procurement and assigned procurement of agricultural and sideline products has already been fulfilled. If we do not correct this practice of appropriating what belongs to a larger community for a smaller community and harming the public to benefit oneself, the country's interests and the people's long-term interests are bound to be infringed upon.

Since the third plenary session, we have resolutely corrected the mistakes of one-sidedly stressing capital construction and paying insufficient attention to the people's livelihood. At the same time we have raised the purchase prices of agricultural and sideline products, reduced taxes in some rural areas, increased employment in cities and towns, practiced the system of material encouragement and bonuses, built a great number of houses for workers and so on. As a result, the great majority of people in the cities and in rural areas have increased their actual income. By adopting these measures to improve the people's livelihood, remarkable changes have taken place in the proportions of national income distribution. The proportion of consumption funds in the national income increased from 63.5 percent in 1978 to about 70 percent in 1981 and accumulation dropped accordingly. Undoubtedly, it is necessary to adopt these measures to improve the people's livelihood but we should not go beyond our country's financial and material capacity. In the course of readjusting the national economy for several years in the future, we should continue to improve the people's livelihood but we cannot use too much money. Otherwise, the financial deficit will certainly increase and more currency will be put into circulation. If this happens, it will cause difficulties in stabilizing prices. We should try our best to avoid this.

The improvement of the people's livelihood must be based on the development of production. Marx's theory on redistribution tells us that distribution is determined by production. This means to say that the degree of improvement of the people's livelihood depends on the speed at which production is developed. Only if there is a material basis can livelihood be improved. Therefore, we should, first of all, try our utmost to develop agriculture and the consumer goods industry in accordance with the needs of the society and the people's livelihood. We should strive to increase production, increase financial income and make all-round arrangements for the people's livelihood and the country's construction. We should gradually improve the people's livelihood on the basis of developing production.

In short, we should correctly handle the relationship between accumulation and consumption. The speed in improving the people's livelihood cannot exceed that of the development of production or the increase in labor productivity. The increase of the people's purchasing power should be suited to the increase of social consumer goods. We must maintain a certain growth rate and percentage of accumulation in the national income. Leading comrades in economic departments at different levels should consciously adhere to these principles and use them as guidelines in making proper arrangement for the people's livelihood and economic construction.

CLASSICAL LITERARY WORKS BEING ADAPTED FOR TV

OW230955 Beijing Domestic Service in Mandarin 1200 GMT 22 Feb 82

[Text] The famous work of classical Chinese literature, "Water Margin," has been adapted for the television screen and will be shown in the very near future. The work of rearranging two other famous classics, "Pilgrimage to the West" and "Dream of the Red Chamber," into television serials is being actively undertaken by the Central Television Station.

The television show "Wu Song," which is based on the story of "Water Margin," is produced by the Shandong television station. The show is divided into three parts: "Jiang Men Shen Gets Short Shrift From a Drunken Wu Song," "Trapped in the House of the Du Jian" and "Bloodshed on the Yuan Yang Tower." The show will be aired by the Central Television Station on its No 1 program on 27 and 28 February.

The production group for "Pilgrimage to the West" has now been formed. It has been initially determined to produce the show in 23 parts, each estimated to last 40 minutes. Shooting of the serial will formally begin in the latter part of the year.

Preparations for producing the television serial version of "Dream of the Red Chamber" is in progress with the warm support of the research society on "Dream of the Red Chamber." The television version is being written by Comrade (Jiang Hesun). The entire show consists of about 15 to 20 parts, and the scripts are expected to be finished one by one beginning in May. Filming preparations will begin in the latter part of this year, and shooting is scheduled for the spring of 1983.

Other provincial, municipal and autonomous regional television stations, while producing television shows on contemporary themes, are also actively creating conditions and exploring ways for producing television episodes and serials based on famous Chinese classics such as "The Romance of the Three Kingdoms," "An Unofficial History of Scholars" and "Strange Stories From Liao Zhai" [liao zhai zhi yi 5108 7872 6125 8381].

XI ZHONGXUN WATCHES SHAANXI DANCE PERFORMANCE

OW232351 Beijing XINHUA Domestic Service in Chinese 0804 GMT 23 Feb 82

[Summary] Beijing, 23 Feb (XINHUA) -- "The Shaanxi Yulin folk song and dance troupe recently performed in Beijing with special local flavor folksongs and dances. It was warmly praised by the audience and literary and art workers in the capital. After watching the performance, many old comrades were deeply touched. They felt as if they had returned to northern Shaanxi where they had fought in the past."

Artists of the troupe performed the Yangko dance, the waist drum dance and other dances reflecting how the people in northern Shaanxi cherished the party and Chairman Mao, as well as the People's Army, and demonstrating the new and dynamic atmosphere which has prevailed in northern Shaanxi's countryside since the convocation of the 3d Plenary Session of the 11th CCP Central Committee. Young folksong singer Wang Xiangrong's singing also won warm applause from the audience.

This folksong and dance troupe had been compiling reference material on folk music and gathered nearly 4,000 folksongs since 1974. The singers in the troupe sang some of the folksongs which they had compiled.

"The Ministry of Culture has sponsored this performance in Beijing by the Shaanxi folksong and dance troupe to introduce the troupe's experience in carrying forward and developing the traditional folk arts and popularizing the traditional folksongs and dances.

"Watching the performance separately were Xi Zhongxun, secretary of the Secretariat of the CCP Central Committee; Liu Lantao, vice chairman of the CPPCC National Committee; and Zhou Weizhi, acting minister of culture. They gave great encouragement to the song and dance troupe."

WANG ZHEN INSPECTS GUANGZHOU MISSILE UNIT 22 FEB

HK240146 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 23 Feb 82

[Text] Comrade Wang Zhen, member of the Political Bureau of the CCP Central Committee and member of the standing committee of the Central Military Commission, inspected an anti-aircraft missile unit of the Guangzhou PLA units air force on 22 February. He urged the cadres and fighters to do well in building the unit and defending the motherland. Comrade Wang Zhen inquired about the situation in building the unit while inspecting it. This unit needs a relatively high cultural level. Comrade Wang Zhen encouraged the commanders and fighters to do well in learning cultural and scientific knowledge and also to teach their sons and daughters well. He also urged the commanders and fighters to contribute to maintaining security in the motherland's airspace.

GUANGDONG PEOPLE'S CONGRESS SESSION OPENS 23 FEB

HK240544 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 23 Feb 82

[Text] The Fourth Session of the Fifth Guangdong Provincial People's Congress was solemnly inaugurated in Guangzhou this morning. Attending the opening session were 1,249 people's representatives from various circles, nationalities and fronts. Li Jianzhen, executive chairman of the congress, presided over this morning's session.

Entrusted by the provincial people's government, Governor Liu Tianfu gave the government's work report at the session. The work report consists of three parts: 1. the current economic situation; 2. the main tasks of 1982's economic construction; 3. striving to build the socialist spiritual civilization.

In the first part of the report, Comrade Liu Tianfu reported the marked progress of the province's national economy during the readjustment since the third session of the fifth provincial people's congress. As reported, the province's total industrial output value, which amounted to 24.96 billion yuan last year, increased by 11.4 percent over the previous year. Last year's growth was the highest since the smashing of the gang of four. Although grain production dropped due to natural disasters, last year's balance of revenues and expenditures showed a slight surplus as the production of industrial crops and diversified economy were comprehensively developed. Both buying and selling were brisk in towns and in the countryside. At the same time, international trade was developed relatively rapidly and encouraging results were achieved in the construction of the special economic zones. As pointed out by Comrade Liu Tianfu in the second part of the report, in accordance with the main tasks of nationwide economic development in 1982 put forth by the CCP Central Committee and the State Council, and in light of the province's actual situation, the Guangdong Provincial CCP Committee and people's government have set this year's goals as follows: economically, striving for relatively high economic results and development rates; politically, striving for a decisive, favorable turn for the better in party work style, social customs and order, and upgrading work in all fields to a new level. He also elaborated one by one the nine tasks which are to be promoted this year. In the third part of the report, Comrade Liu Tianfu pointed out that a highly developed spiritual civilization is a necessity for socialism, and this is a fundamental problem for socialist modernization construction. He said: In order to have a decisive, favorable turn for the better in social customs, the prominent task at present is to crack down on economic crimes ranging from smuggling and the selling of smuggled goods to corruption and bribery and to redress unlawful practices in the economic field so as to push ahead with the improvement of the whole general mood of society.

The executive chairmen of this morning's session were Ren Zhongyi, Liang Lingguang, Li Jianzhen, Wang De, (Deng Yifan), Xiao Junying, Huang Youmou, Luo Xiongcai, (Sun Chengzeng), (Li Chen), (Shen Pengfei), (Xu Shufen).

Also present at this morning's session were 932 nonvoting delegates, including the committee members who were participating in the Fourth Session of the Fourth Guangdong Provincial CPPCC Committee; principal responsible persons of departments, committees, offices and bureaus directly under the province; the vice chairman of the provincial people's higher court; the deputy chief procurator of the provincial people's procuratorate; chairmen of the standing committees of all people's congresses at the municipal and county levels, and responsible comrades of PLA units in the province.

Economic Reports

HK240806 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 23 Feb 82

[Summary] "The Fourth Session of the Fifth Guangdong Provincial People's Congress held its second meeting this afternoon to listen to the report on the province's 1982 tentative plan for economic and social development made by Yang Zhen, chairman of the provincial planning commission; and to the report on the province's 1980 final accounts, the implementation of the province's 1981 budget and the province's 1982 draft budget made by Ai Honggong, director of the provincial finance bureau."

In reporting the implementation of the economic plan in 1981, Yang Zhen pointed out that the province had made remarkable progress in carrying out the policy of further readjustment of the economy and greater political stability put forth by the CCP Central Committee and the State Council, and thus enabled a very encouraging economic developing trend to emerge in the province. He also mentioned the imbalance in the economy which still remained despite the rapid development of the province's economy in the last few years. Therefore, he called for further carrying out economic readjustment, consolidating the results achieved and further improving the province's economy. He stressed agricultural development, consumer goods production, the stabilizing of commodity prices, the upholding of the open-door policy in foreign trade, the control of the scale of capital construction, the strengthening of scientific and technological research, the development of education, culture and public health, the improvement of the people's livelihood and the carrying out of birth control.

"In his report, Ai Honggong, director of the provincial finance bureau, declared that revenues had surpassed expenditures in 1980; the balance of revenues and expenditures, having been well controlled, had resulted in a slight surplus; and the planned financial revenue for 1982 was set to be increased by 6 percent over the previous year." In order to fulfill the latter target, he called for improvement of economic results and of economic and financial discipline.

"This afternoon's meeting was presided over by Huang Youmou, vice chairman of the standing committee of the provincial people's congress."

NANFANG RIBAO: STRICT PARTY WORK STYLE NEEDED

HK240244 Guangzhou NANFANG RIBAO in Chinese 12 Feb 82 p 1

[Article by Zheng Feng [6774 6912]: "How Can There Be Any Talk of Flexibility in Party Work Style?"]

[Text] The CCP Central Committee's call for bringing about a decisive change in party work style expresses the will of the broad ranks of party members and of the masses of people. When people talk about the problem of party work style, they are all of the opinion that here in Guangdong the unhealthy trends within the party have been running rampant. For example, some cadres have been so deeply involved in the unhealthy trends that it is time that we become determined to vigorously deal with this problem. Nevertheless, regarding the rectification of party work style in Guangdong, people differ in their views. For instance, some people think that "in Guangdong, we are carrying out more flexible policies and measures, and therefore, our party work style should not be too rigid." Can we allow any flexibility in party work style? As this is an important problem, I think that it is necessary to discuss it here.

First, there is the problem related to the correct understanding of the flexible measures. The special policies and flexible measures that we are carrying out in Guangdong only concern external economic activities, and this kind of flexibility cannot be applied to the political life of our party. There can never be any flexibility in party work style, party spirit or party discipline. Our party is a proletarian political party and in its prolonged revolutionary struggle, it has evolved a fine traditional work style, a pure proletarian party spirit and a unified iron discipline. The "Guiding Principles for Inner-Party Political Life" formulated by the CCP Central Committee since its third plenary session embodies in a concentrated way our party's traditional work style and the principle of party spirit. These "guiding principles" must be strictly observed by every party organization and every party member. Within our party, we will never allow some of the members to be so-called special party members, to have a flexible party work style and to observe flexible party discipline simply because the nature of their jobs differs from that of other members. In implementing the CCP Central Committee's directive on carrying out special policies and flexible measures, the Guangdong Provincial CCP Committee has put forth the idea of opposing the "three specials," namely, opposing special party members, special treatment and special privileges. This means precisely that no flexibility or special treatment can be allowed in party work style or in party discipline.

By advocating some decree of flexibility in party work style, these people mean laxity in party work style and party discipline. It seems to them that strictness in this respect will hinder the implementation of the special policies and flexible measures. This view does not hold water and it is wrong. In fact, strictness in party work style and party discipline will by no means hinder the implementation of the special policies and the flexible measures. On the contrary, it will ensure that the special policies and flexible measures are being carried out correctly.

We often say that the correct work style is the guarantee of the implementation of the party's line and policies. This is true in carrying out any of the party's policies, including the special policies and flexible measures related to external economic activities. Many facts during the past 2 years have proved to us that among the cadres engaged in external economic work, those comrades who have wholeheartedly plunged themselves into the four modernizations, who have maintained their honesty and always proceeded from the interests of the public and who have strived hard and have been quick to learn can more effectively carry out the special policies and flexible measures. When these cadres went abroad to make investigations, they were able to concentrate their efforts and make every minute count in learning from the advanced experiences and making investigations and studies abroad. They lived very thriftily and reserved foreign exchange for the state. In dealing with foreign businessmen, they were able to consciously observe the discipline related to foreign affairs, to adopt an attitude that was neither haughty nor humble and to resist corruption. In conducting economic negotiations, they were able to act strictly in accordance with the policies and to always safeguard the interests of the state. On the contrary, those cadres who have been seriously stained by unhealthy trends have only concerned themselves with the modernization of their homes. They have busily cultivated under-the-counter relationships and tried hard to get foreign exchange, TV sets, refrigerators and other appliances for their families. Some have even gone so far as to violate the discipline related to external economic activities, making profits at the expense of the interests of the state, extorting gifts and accepting bribes. Thus they have caused political and economic losses to the state. At the same time, we must not fail to see the objective fact that in conducting external economic activities, our comrades will inevitably be constantly influenced by bourgeois ideology and lifestyle and that in order to smuggle goods, avoid customs duties or earn extra profits in doing business with us, a small number of foreign businessmen will endeavor to corrupt and lure our cadres. In the face of this situation, those cadres who have been strongly armed with the party spirit can resist corruption, fight illegal activities and safeguard the interests of the state.

Therefore, a strict party work style is an indispensable prerequisite for the implementation of the flexible measures. External flexibility and internal strictness are an integrated entity. We should not lower our standards in demanding adherence of our party members to the principle of party spirit because of the implementation of flexible measures. If we allow flexibility in party work style and fail to strictly enforce the party's discipline or correct the unhealthy trends, this flexibility will lead our economic work astray, corrupt a large number of cadres and defame our special policies and flexible measures. As a result, our great cause of the four modernizations will suffer losses.

QIAO XIAOGUANG, WU KEHUA AT GUANGXI BORDER UNITS

OW230931 Beijing Domestic Service in Mandarin 1200 GMT 22 Feb 82

[Text] Qiao Xiaoguang, first secretary of the Guangxi Zhuang Autonomous Region party committee, and Wu Kehua, commander of the Guangzhou PLA units, recently visited the Guangxi border defense units and urged the commanders and fighters to make new contributions in defending the border areas against the enemy.

Early this month, Comrade Qiao Xiaoguang visited the Fakashan area with an investigation group. They extended their cordial regards to the cadres and fighters there and inquired about their living conditions and whether they had any supply problems. Later he and responsible comrades of municipal and county party committees in the border areas had a special discussion on ways and means to insure supplies for the armed forces. Specific solutions were worked out during the discussion.

In mid-February, Wu Kehua, commander of the Guangzhou PLA units, and other leading comrades called on the heroic cadres and fighters on the Fakashan front. They were very glad to see that green leaves were sprouting from the trees planted by the fighters on slopes scorched by Vietnamese artillery fire. They urged the commanders and fighters to defend and build the frontier and achieve new victories for the party and the people.

HENAN'S LIU JIE VIEWS NEED FOR ECONOMIC EXPERTS

HK231231 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 21 Feb 82

[Text] In an interview with the advisory group of the Henan provincial technical and economic research center, Liu Jie, first secretary of the Henan Provincial CCP Committee, said that in economic policymaking, we must pay great attention to tapping the talents of experts and professors. We must make a practice of inviting experts and professors to put forward views, so that our various policies can actually be built on a reliable scientific basis.

The Henan provincial technical and economic research center, established in September last year, is a technical and economic investigation organ under the leadership of the provincial government. It has invited 15 well-known experts in various fields in the province to act as its advisers. At a conference held not long ago, these experts and professors aired their views on certain major technical and economic problems confronting Henan. Many valuable suggestions were put forward.

During the conference, Comrade Liu Jie received them and held a forum with them. At the beginning of the forum, Comrade Liu Jie said that at the Fourth Session of the Fifth NPC held last year, the great prospects for economic rejuvenation of our country had been shown. Under unified state plans, how should we do our economic work in a better and more rapid manner? The key lies in drawing upon the talents of everyone and especially the talents of experts and professors.

The comrades of the technical and economic research center asked Comrade Liu Jie to talk about the plans of the provincial CCP committee and what it wanted them to do. Comrade Liu Jie said that the leadership had the ability to develop ideas, but such ideas must be built on a reliable basis.

Some of our major economic problems, including the formulation of long-term plans, the tapping and utilization of resources, the readjustment and development of industry, and so forth, require the technical and economic research center and also the economic research center to organize and arouse experts and professors to put forward hundreds of suggestions and programs. Only after verification of these suggestions and with a wealth of data on hand, can we make policy decisions on a scientific basis. This is a basic and important method for us in making policy decisions.

Comrade Liu Jie also said that formerly, in studying certain economic problems, the leadership always felt relatively isolated and unsure. The reason was that we often had only one view as a guide. Some views were also put forward in a haphazard manner. Now we are prepared to refer, in good time, all the economic and technical matters and problems of the province to the two research centers. We will not have to follow fixed forms and can be more flexible in our approach. Experts and professors can freely come over to talk shop and help us broaden our horizons. We will be highly pleased and will warmly welcome their giving us every opportunity to learn from them.

After Comrade Liu Jie spoke, more than 10 experts and professors, including (Sun Yutai), deputy director of the China Association for Communications Work and chief engineer of the Henan provincial communications bureau; (Zhang Yanfang), director of light metal research institute under the Ministry of Metallurgical Industry; and (Chang Qisheng), director of the provincial machine-building bureau and an engineer; exchanged views with Comrade Liu Jie on such problems as the tapping and utilization of the natural resources of Henan Province, the readjustment and development of industry, higher education in the industrial field, and the policy toward intellectuals. Comrade (Sun Yutai) said: We hope that under the leadership of the party and the government, we can build Henan well, so that it can catch up with the advanced production levels of the country and of the world. Comrade Liu Jie said that this was right and that we should cherish such great ambitions.

HUBEI PROMOTES RECTIFICATION IN INDUSTRIAL UNITS

HK230822 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 22 Feb 82

[Text] Recently, the responsible industrial and communications departments at the prefectural, municipal and provincial levels in our province have organized more than 3,300 cadres to form investigation groups to collect firsthand information at 690 key industrial and communications enterprises, and to help them to carry out overall rectification. The provincial CCP committee and the people's government have attached great importance to the decision issued by the CCP Central Committee and the State Council, demanding that all state-run industrial enterprises carry out overall rectification. In order to implement the decision, Chen Pixian, first secretary of the provincial CCP committee; Han Ningfu, governor of the province; and other principal leading comrades convened and presided over a few meetings to draw up concrete plans. According to the plan, the rectification in state-run industrial enterprises at and above the county level must be completed within 2 years. By the end of this year, the rectification in more than 1,000 enterprises which are divided into two groups will be completed. Among these, special importance will be attached to 150 large and medium-sized enterprises and key enterprises which are playing an important part in the national economy and the people's livelihood. At the same time, attention must be paid to the integration of the rectification in key enterprises with that in ordinary enterprises, so as to organize the latter well. Under the leadership of CCP committees and people's governments at different levels, the responsible industrial and communications departments at different levels lost no time in taking action; they hastened to work out respectively the rectification plans in their own areas and departments. Within a relatively short period of time, they managed to organize and send investigation groups to selected key enterprises. Besides, the rectification at other ordinary enterprises is also being actively organized. Some responsible industrial and communications departments at the prefectural, municipal and provincial levels also plan to send inspection groups to strengthen the inspection and guidance of the rectification which is being carried out in ordinary enterprises.

CHI BIQING OFFICIATES AT GUIZHOU CONGRESS OPENING

HK240305 Guiyang Guizhou Provincial Service in Mandarin 2315 GMT 22 Feb 82

[Summary] "The Fourth Session of the Fifth Guizhou Provincial People's Congress opened in Guiyang on the morning of 22 February; 792 people of various nationalities from various fronts and various sectors throughout the province attended the opening ceremony." Chi Biqing, an executive chairman of the session, presided over the opening ceremony. The other executive chairmen present at the session and sitting on the rostrum were Miao Chunting, Xu Jiansheng, Chen Xinggeng, Wu Shi, Dai Xiaodong, Zhang Liang, Luo Dengyi, Luo Ying, Zeng Xianhui, (Zhou Baoyun), and (Wu Wenbing). "During the opening ceremony, Governor Su Gang gave the government work report on behalf of the provincial people's government; provincial finance department Director (Wang Zhaotu) gave a report on the financial accounting for 1980 and the 1981 budget and arrangements for financial revenue and expenditure quotas in 1982."

The government work report delivered by Governor Su Gang was mainly divided into three parts: 1) the economic situation in 1981; 2) the economic tasks in 1982; and 3) strengthening government leadership over economic work. "Speaking on the economic situation in 1981, Comrade Su Gang pointed out: Over the past year, governments at all levels and people throughout the province, under the leadership of the Guizhou Provincial CCP Committee, seriously implemented the policy of carrying out further economic readjustment and maintaining a more stable political situation, which were formulated at the central work conference held in December 1980; continued to correct leftist mistakes in economic work; and overcame difficulties in the course of carrying out readjustment, obtaining achievements in various items of work. The principal quotas of the national economic plans in 1981 were accomplished, though there was a drop in grain production as a result of natural calamities and a relatively higher population growth rate. The situation of the national economy was improved and the political situation was more stable." In addition, industrial output was also boosted, and financial and economic discipline was enforced. In the wake of maintaining economic stability and developing production, the people's livelihood was also improved and income of the peasants was raised.

Governor Su Gang pointed out that the main tasks in economic construction in 1982 were: focusing on improving the economic results in promoting the readjustment of the national economy; consolidating and stabilizing the economic achievements; vigorously grasping agriculture; and speeding up development of light industry, particularly production of daily-use consumer goods in order to push forward development of heavy industry. In order to fulfill these tasks, Governor Su Gang stressed: "Our province must make efforts in grasping 10 kinds of work: 1. Rely on policies and science to speed up development of agriculture. 2. Continue to readjust coordination among industrial units focusing on developing production of consumer products. 3. Carry out technological renovation among existing enterprises by setting up key points and working in a planned way. 4. Seriously promote the overall rectification of industrial, construction and communications units. 5. Promote work of finance departments, banks, commercial enterprises, and taxation departments, stressing methods of creating financial revenue, managing financial affairs and controlling financial expenditures. 6. Actively and seriously carry out reform in the economic system. 7. Implement, in an all-round way, the party's nationality policy, further strengthen unity among nationalities and actively develop economic and cultural building in minority nationality areas and in remote and poor areas. 8. Promote the import and popularization of research work in economics, science and technology, and vigorously organize scientific research workers to tackle key problems. 9. Do a better job of planned parenthood work, and resolutely control population growth. 10. While developing production, it is necessary make good arrangements for the people's livelihood. Comrade Su Gang said: The economic tasks of 1982 are complicated and tough. The key to the accomplishment of all these tasks lies in further strengthening leadership over economic work.

"Regarding this, we must, under the leadership of the Guizhou Provincial CCP Committee, uphold the four basic principles, simultaneously grasping building of material and spiritual civilization." We must strive for a decisive turn for the better in social order, social customs and party work style. We must overcome bureaucracy and concentrate all forces to grasp economic work.

In conclusion, Comrade Su Gang said: At present, we must build up our confidence, enhance our revolutionary vigor and work practically, fulfilling and overfulfilling this year's national economy plans. People of all nationalities throughout Guizhou Province should be armed with Marxism-Leninism-Mao Zedong Thought to accomplish all tasks put forth at this meeting and struggle for building a high degree of material and spiritual civilization.

In his report on the finance department's work, Comrade (Wang Zhaotu) said: Under the leadership of the CCP Central Committee, the State Council, the Guizhou Provincial CCP Committee and the provincial people's government, the economic plans were seriously implemented in 1980 and the financial situation was good. There was a balance in revenue and expenditure. In 1980, the province's financial revenue from localities fulfilled 113.18 percent of the year's plan, showing an increase of 3.49 percent over 1979; the total financial expenditure of localities fulfilled 75.67 percent of the year's plan, showing a decrease of 3.92 over 1979. Comrade (Wang Zhaotu) said: By implementing the state's economic readjustment principles and the province's relevant measures, we have obtained the following achievements: 1. Agriculture and light industry were developed, and production of daily-use consumer goods was expanded. In addition, diversification in the rural areas also helped to increase financial revenue. 2. Capital construction investment was reduced. 3. Funds for education, culture, science and public health were increased. 4. The people's livelihood was improved. 5. The financial structure was gradually improved. 6. We have completed the task of readjusting central debts by selling national bonds.

In the report on the arrangement of financial revenue and expenditure quotas in 1982, Comrade (Wang Zhaotu) said: This is the second year in the sixth 5-year plan and is also a crucial year. We must continue to implement the readjustment principles for the national economy, enabling a higher speed of development of agricultural and industrial production. We must strive to increase financial revenue to pay off the essential expenses, and ensure a balance of revenue and expenditure.

"In order to fulfill this year's financial tasks, Comrade (Wang Zhaotu) urged doing a good job of the following: 1) continue to support industrial and agricultural production, opening up all sources of revenue; 2) grasp well rectification of enterprises and tap the potential of enterprises; 3) strengthen taxation work and try every possible means to organize revenue; 4) continue to improve the financial structure and the system of financial management; 5) strictly abide by the financial system and strengthen management over expenditure; 6) strictly abide by the financial and economic discipline and strengthen supervision over financial work; and 7) ensure the completion of the task of selling national bonds."

SICHUAN RIBAO DISCUSSES NEED FOR CRITICISM

HK221307 Chengdu SICHUAN RIBAO in Chinese 11 Feb 82 p 3

[Article by Li Xiangzhen [2621 0288 4631]: "Be Bold and Skillful in Criticism"]

[Text] Criticism and self-criticism are one of our party's fine traditions and work styles. Within the party and revolutionary groups they form the driving force behind the continuous development of the revolutionary cause and are used to solve internal contradictions, to overcome shortcomings and to carry forward the vigorous and healthy spirit of solidarity and struggle.

With regard to the current situation, we can say that if the four modernizations are to be carried out we must continue to eliminate the influence of "leftist" thinking in each aspect of our concrete work, to oppose the tendency towards bourgeois liberalization and to overcome the problems of bureaucratism that exist in our political life and our economic management.

All of these things demand the correct use of the weapon of criticism and self-criticism. Contradictions exist objectively, and as soon as old contradictions are solved new ones appear. It is through this constant process of resolving contradictions that all things advance. One should never adopt an attitude of passive avoidance toward objective contradictions. The facts show that criticism and self-criticism are indispensable for the implementation of the party's line, principles and policies since the third plenary session, as well as for the stabilization and development of the political situation of stability and unity, and for the construction of socialist material and spiritual civilization. However, there are still certain comrades who because of ideological obstacles are either unwilling or do not dare to take up the weapon of criticism and self-criticism.

First, some people worry that they themselves will "have to face accusing fingers if the criticism turns out to be mistaken." Incorrectly summarizing historical experience, some comrades believe that it is very difficult to do a good job of criticism and self-criticism. Convinced that if it is not a case of being wrongly criticized themselves then it is a case of wrongly criticizing others, they see criticism as causing nothing but misunderstanding between comrades. For this reason they have a great many reservations about ever carrying out criticism or self-criticism, even reaching the point where the mere mention of criticism puts them in a terrible fright. Such comrades fail to see that criticism and self-criticism are a fine tradition in our party. Basically speaking the formation and continuance of such a fine tradition has depended on the correct leadership of the party and the correct guiding ideology. If we depart from the correct leadership of the party or deviate from the scientific path of Marxism-Leninism-Mao Zedong Thought we shall be unable to distinguish either between right and wrong or the enemy and ourselves; that is to say, the lesson we have learned from experience does not concern the question of whether or not we should carry out criticism and self-criticism, but that criticism and self-criticism must be carried out under the correct leadership of the party and the correct guiding ideology. After the smashing of the "gang of four" our party's Central Committee managed, during the period from the third to the sixth plenary session, to complete the historical task of bringing order out of chaos and correcting leftist errors in the guiding ideology. Past cases in which people have been wronged, misjudged or framed have all been re-examined to ensure that all such mistakes are brought to light. Since we are reviving and developing the fine tradition of criticism and self-criticism under such new historical conditions, how could we ever repeat the mistakes of the past?

Second, there is the fear of "offending others." Always abiding by the rule that one should "plant more flowers and fewer thorn bushes," comrades who share such a view adopt a very liberal attitude toward all people and things that may harm the interests of the party and the masses. When it comes to discussing strong points they can be very thorough and precise, and may even tend to exaggerate at will. When it comes to shortcomings, however, they either touch on them only lightly or simply avoid even mentioning them. Even when they are faced with an obvious mistake they are unwilling to take a clear stand and continue to hem and haw. Some people act this way in the hope of gaining some small advantage for themselves, while others cling desperately to the hope that if they themselves should one day make a mistake then it will be easier to get by. It can be seen that the so-called "fear of offending others" is in fact nothing more than the fear of damaging one's own personal interests and shows a complete lack of concern for the interests of either the party or the people. For these reasons when it comes to questions of principle we must uphold truth, take a clear stand and oppose those who prefer keeping on good terms at the expense of principle and who adopt the low attitude of "if you're okay, I'm okay."

Third, there is the belief that "criticism never solves any problems." Some comrades recognize the existence of problems but adopt an attitude of "everyone is drunk and I alone am sober," blaming everyone under the sun except themselves. There are some comrades who feel that they have "seen through everything" and have no interest in any problems, believing that "if you don't interfere with other people's affairs they won't bother you."

Such a frame of mind is obviously suited neither to the reality of new problems that emerge in an endless stream during the course of modernization nor to the demands of our work's continual development. If this problem of lackadaisical spirits remains unsolved we shall be unable to make any headway in our work. The facts prove that the problem is not that "criticism never solves any problems" but that because people have not roused themselves to action they have either neglected to or have been unable to resolve problems through the use of the weapon of criticism and self-criticism.

We should, of course, be both bold and skillful in our use of the weapon of criticism and self-criticism. With regard to this, the following points are worthy of note.

We must clarify the aim of criticism. Criticism and self-criticism are carried out in order to resolve contradictions of ideological understanding in the party and among the people. On the foundation of firm support for the four basic principles such criticism will help to strengthen unity, allow us to advance forward and assist us in doing a better job of our work. For this reason we should always use the method of unity-criticism-unity and should never confuse different types of contradiction.

Proceeding from reality, criticism should seek truth from facts. In cases where people and things (or viewpoints) need to be criticized, we should carry out conscientious investigation and search out the root of the problem so that our criticism will have a definite objective in view, will be reasonable and will achieve the results it should.

We must try to be gentle and patient in our attitude. Animated by the desire for unity, such an attitude of comradely warmth and equality is neither harsh nor overly aggressive. By offering the warmth and solicitude of the party and the collective we should be able to arouse the spirits of mistaken comrades and fire their enthusiasm for progress. We should allow counter-criticism and should also give comrades under criticism time to recognize their mistakes.

In addition to being skillful at carrying out criticism of others we must also be skillful at accepting criticism ourselves. What must be understood is that even with quite ordinary criticism it is difficult to avoid all excesses in language and discrepancies of fact. It is relatively difficult for anyone to unite the objective and subjective to such a degree that their own understanding becomes completely flawless. So long as criticism is correct in a general sense and benefits the party and people we should regard it as well-intentioned and refrain from quibbling over whether or not certain words are appropriate, or from seizing on minor points of detail to justify sarcastic answers, or even from outright rejection of others' criticism.

The key to criticism and self-criticism lies in whether or not the leaders at all levels act as models. Leading cadres should take the lead in carrying out self-criticism, in accepting criticism with an open mind and in correcting their mistakes in practice. Only in this way will it be possible to create a general mood in which criticism and self-criticism can be carried out with enthusiasm and without reservation.

YUNNAN ISSUES CIRCULAR ON PEASANT ASSOCIATIONS

HK200311 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 18 Feb 82

[Excerpts] A report just received says that the Yunnan Provincial CCP Committee issued a circular on 17 February on preparing for the establishment of peasant associations throughout the province. The circular says: Since their establishment, and especially since the third plenary session, the poor and lower-middle peasant associations in the province have seriously implemented the party's rural principles and policies, united the peasant masses, promoted stability and unity, developed agricultural production and improved the peasants' living standards. They have done a lot of work in this respect and scored notable successes.

In the wake of rural developments in China, the peasants are urgently demanding to set up their own peasant associations. The provincial CCP committee holds that the establishment of peasant associations at all levels in the rural areas is beneficial for stimulating the launching of all rural work and promoting the continuous development of agricultural production. It is beneficial for strengthening the great unity of the peasant masses of various nationalities and consolidating and developing the excellent situation of stability and unity. It is beneficial for conducting socialist education for the peasant masses and bringing into play their enthusiasm for building new socialist rural areas. It is beneficial for promoting the building of socialist spiritual civilization in the rural areas, upholding social order and establishing a new atmosphere in the rural areas.

The provincial CCP committee has therefore decided that the rural party organizations at all levels must regard the establishment of peasant associations as a major and urgent task in current rural work, and hurry to make preparations for it. They should take the existing poor and lower-middle peasant associations as the basis and develop and set up the peasant associations at all levels as soon as possible.

The circular says: The provincial CCP committee has decided to set up a leadership group for preparing the establishment of the provincial peasant association, to take charge of work in this respect. The group is headed by Comrade Liu Shusheng. The prefectures, municipalities, counties, communes and production brigades throughout the province should also set up preparatory groups for establishing their peasant associations, under the leadership of the party committees and branches at their corresponding level.

The circular stresses: The establishment of the peasant associations at all levels must be done in a planned and rapid way under leadership. The leadership group for preparing the establishment of the provincial peasant association must draft the association charter as quickly as possible, and put forward ways for producing delegates to the association and a scheme for the organization of the association. The group should also convene an enlarged meeting of the provincial poor and lower-middle peasant association standing committee to discuss and arrange this work.

The circular points out: Establishing the peasant association is a major event in the political life of the rural masses. It is necessary to conduct extensive and deepgoing propaganda and mobilization among the rural cadres and peasants, and turn the preparatory and establishment work into a motive force stimulating rural work, so as to make positive efforts for winning all-round bumper harvests this year.

BRIEFS

SICHUAN FINANCIAL INSPECTION -- Last July, Sichuan Province began an all-round large-scale inspection of financial and economic discipline. By the end of last year, the province had basically completed its inspection work on a trial basis and its reinspection work. In the course of inspection, every place investigated and handled some serious cases of violation of discipline. Leaders of the provincial government affirmed the achievements in this inspection work. The funds which were retrieved from cases in violation of discipline and which were submitted to the treasury last year accounted for 52 percent of the total amount due. The provincial people's government demanded that in the year ahead, all places persistently conduct inspection of financial and economic discipline. [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 18 Feb 82 HK]

PRECIPITATION IN YUNNAN -- It has rained in most of Yunnan Province and snowed in some places in the province. Rainfall in the prefectures, autonomous prefectures and municipalities, including Qujing, Kunming, Dongchuan, Honghe, Yuxi, Nuijiang, Dali, Chuxiong, Lincang, Baoshan and Dehong, was 20 to 75 mm. This rainfall and snowfall will give additional water to spring-harvested crops which are growing and will be particularly beneficial to the northwest part of the province where drought has begun to appear. However, excessive drops in the temperature will freeze broad beans, wheat and rape. All localities must pay attention to protecting these crops from the cold spell. [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 11 Feb 82 HK]

HEBEI CCP DECISION ON IMPROVING PARTY WORK STYLE

HK221400 Shijiazhuang HEBEI RIBAO in Chinese 12 Feb 82 p 1

[Report: "Hebei Provincial CCP Committee Issues 'Decision on Mobilizing the Whole Party To Strive for a Fundamental Change for the Better in Party Work Style'"]

[Text] In order to call on all party members to strive as one for a fundamental improvement in the party work style, the provincial CCP committee recently issued the "decision on mobilizing the whole party to strive for a fundamental change for the better in party work style."

The decision points out that since the 3d Plenary Session of the 11th CCP Central Committee and especially since the time when we began to implement the resolution of the 6th Plenary Session of the 11th CCP Central Committee and the spirit of the Hebei work conference presided over by the CCP Central Committee Secretariat, there has been a remarkable change for the better in the party work style in our province, resulting in the strengthening of our unity and the raising of our combat strength. However, a fundamental change for the better in party work style is still needed. We require it to meet the demands of mobilizing and leading the people all over the province to carry out the great cause of building socialist material and spiritual civilizations and in order to meet the demands and expectations of the broad masses of people. We must mobilize the whole party to strive for a fundamental turn for the better in party work style and above all, to achieve a decisive turn for the better in 1982.

The decision calls on all the party members to rectify their party work style. The party committees and party organizations should give first priority to rectifying party work style in their work of building up the party and include this task in their agenda of important matters. The responsibility system should be established in rectifying the party work style and the party organizations in various areas and departments should be responsible for rectifying the party work style in their own areas and departments. Each organization should be responsible for those organizations under it at a lower level and its major leading comrades should personally take care of the task. They should not leave the task of rectifying party work style, which is a task of vital importance to the whole situation, in the charge of the discipline inspection committees alone. Under the unified leadership of the party committees, the party's discipline inspection, organizational and propaganda departments should closely cooperate and coordinate with one another and intensify their inspection, supervision and guidance in the life of the party through the party organizations at various levels. We should give full play to the role of the means of propaganda and public opinion and the party organs should carry out systematic education of the party members on Marxism-Leninism-Mao Zedong Thought, on basic knowledge of the party and on observing law and discipline. HEBEI RIBAO, the provincial radio station and the cultural and educational departments should regard the rectification of party work style as an important task. They should make constant and widespread propaganda of the advanced deeds of exemplary persons, praise good people and good things and set good examples for the people to learn from. At the same time, they should pay special attention to typical cases of evildoers and their activities and raise the educational effect by exposing and criticizing them in a planned manner.

The decision points out that we should conscientiously do a good job of ideologically and organizationally bringing order out of chaos and rectify our gravely corrupted party work style. We should restore and develop our party's traditional work style of integrating theory with practice, maintaining close links with the masses and conducting criticism and self-criticism. We should encourage the spirit of criticism and self-criticism that we have begun to restore and teach the people to "be particular about truth instead of being particular about saving face," to adhere to truth and to correct their mistakes in order to raise their consciousness in serving the people wholeheartedly.

All the members and cadres of our party should maintain their political conformance with the party Central Committee. They should continuously eliminate the "leftist" mistakes in their guiding ideology and resolutely overcome any tendency of bourgeois liberalization in their minds. They should firmly correct the unhealthy trends in the economic field and overcome bureaucracy. They should carry out persistent struggle against any activity that resists or opposes the party's leadership or violates law or discipline.

Every party member must strictly observe the party's discipline and adhere to the principle that "the individual is subordinate to the organization; the minority is subordinate to the majority; the lower level is subordinate to the higher level; and the entire membership is subordinate to the Central Committee." All the party organizations should act in accordance with the principle of democratic centralism. The party's discipline will never permit the practices of "one individual overriding the organization," or altering the resolution of the collective at will. Neither will it allow the practice of adopting a liberal attitude toward the resolution of the party organizations or the practice of passively resisting, or overtly agreeing but covertly opposing, the resolution of the party organization in order to pursue the private ends of an individual or a small group of people.

The decision calls on the party leading cadres to set examples. This year, the provincial, prefectural (or municipal), and county CCP committees and leading party groups should focus on achieving the following three aims: First, they should truly conform politically with the CCP Central Committee and be the leading groups that resolutely carry out the CCP Central Committee's line and policies. Second, they should free themselves from unhealthy trends. They should rectify the unhealthy trends among their members so as to seize the power of leadership in fighting against the unhealthy trends. Third, they should have the courage to undauntedly fight unhealthy trends. They should completely free their minds from the evil practice of "trying to offend no one" and overcome their weakness and laxity. They should resolutely act in accordance with the "guiding principles," enhance their party spirit and root out factionalism. Whatever they require the lower levels to do, they should first do it themselves and thus give full play to the exemplary roles of leading cadres.

The decision calls on all the localities to clearly understand where the stresses in their work lie and strive to achieve good results. All the localities should determine, in light of their practical conditions, the tendentious problems of which the masses have shown the greatest resentment and which have most seriously corrupted our party. Then they should organize strength and rely on the masses to solve these problems so as to boost the morale of the broad ranks of cadres and masses, shore up their confidence for bringing about a fundamental change for the better in party work style, restore the good image of the party among the masses and strengthen the fighting capacity of the party. At present, taking the province as a whole, the cases of unhealthy trends that have roused the greatest resentment among the masses and that have caused the most serious damage are as follows: building private houses by using one's power of office to encroach on the interests of the state and the people, bribery, speculation, smuggling, corruption, blackmail, and other offenses against law and discipline. Throughout the province, we should focus on these kinds of cases and concentrate all the strength both at the upper and at the lower levels in close cooperation to deal with them. The unhealthy trends in building private houses should be corrected once and for all. But, if we want to put an end to the economic offenses against law and discipline, we must make repeated efforts. We should pay attention to promptly summing up experiences and continuously raise our capability in leading the struggle against the unhealthy trends. We must conscientiously carry out the regulations on correcting unhealthy trends formulated by the CCP Central Committee and its Central Discipline Inspection Commission.

We should proceed from the actual conditions in our areas and units, adhere to seeking truth from facts and fight for bringing about a fundamental turn for the better in party work style.

The decision finally pointed out that our province is an old revolutionary base area and has a glorious revolutionary tradition. Most of the party cadres strongly resent the unhealthy trends and the broad masses of people urgently hope that the party's fine tradition and work style will be rapidly restored and developed. The provincial CCP committee is confident that since we have the correct leadership of the party Central Committee and the support of the broad masses of people, we will surely achieve our aim of bringing about a fundamental change for the better in party work style. But we must have a strong will and mobilize the whole party to jointly strive for this purpose.

HEBEI RIBAO PUBLICIZES RURAL WORK CONFERENCE

HK191255 Shijiazhuang HEBEI RIBAO in Chinese 8 Feb 82 p 1

[Commentator's article: "Convey and Implement Well the Spirit of the National Rural Work Conference"]

[Text] By summarizing the new experiences that appeared in rural work after the 3d Plenary Session of the 11th CCP Central Committee, the national rural work conference has clearly defined some policies and methods of solving the newly emerged problems. In order to carry on all rural work well and strive for a greater development in agricultural production this year, it is of great significance to convey and implement thoroughly the spirit of the conference. Now that there is only a month to go until the busy season of spring farming in the countryside, party committees and people's governments of various levels should, by taking advantage of the time available, concentrate all their efforts to convey and implement thoroughly the spirit of the national rural work conference for arming the minds of the vast numbers of cadres and commune members. Thus a good foundation can be laid for accomplishing all tasks of agricultural production.

In order to implement the spirit of the CCP Central Committee's circular concerning agriculture, meetings are being held among cadres of three levels in different counties of the province. To achieve good results from the meetings, preliminary work should be fully done in advance. Leaders of CCP committees and governments of each county must seriously study the spirit of the national rural work conference. In the meantime, leading cadres should go deep among the grassroots levels to conduct investigation and study in order to know well the ideas of cadres and commune members at different levels, to grasp the weak links existing in the work of each county, to make sure key problems are solved, and to draw conclusions from the experience and lessons in the work of each county. Only by doing so can the meetings be held with a definite object like shooting an arrow at the target, guiding thought become clear and main jobs be done prominently. During the meetings, work should be strengthened in the aspects of organization and leadership, in accordance with the spirit of the national rural work conference and the practical situation of each county. Leaders should give good guidance so that the meetings will play a real role in unifying ideas, making sure of tasks, understanding policies and boosting morale.

Following the meetings of cadres of three levels, efforts must be made to convey and implement well the spirit of the national rural work conference among the masses of commune members. A certain number of cadres who know policies well should be selected and transferred from counties and communes to take a short-term training course, then to go deep into the grassroots to help the brigades and production teams to organize commune members to study the spirit of the conference, which must be known to every household and everybody.

On the basis of studying well the CCP Central Committee's circular on agriculture, efforts must be focused on solving some key problems which hinder the development of local agriculture.

At present, stress must be laid on fully carrying forward the work of consolidating and improving the responsibility system in agricultural production; stepping up construction of leadership groups at the grassroots level; and ironing out the problem of weakness, slackness, paralysis and semiparalysis in the ranks of cadres. Large-scale reforms have been carried out with respect to the production responsibility system, and endeavors must now be made to improve the system. In light of the CCP Central Committee's circular on agriculture, it is necessary to find out the imperfections in the production responsibility system of each unit and to solve them one by one. To strengthen the construction of leadership groups at the grassroots level is also one of the important aspects of making the responsibility system more perfect. On solving the questions of cadres at the grassroots level, leaders of counties and communes should work well, brigade by brigade and team by team, so that the cadres of the brigades and production teams can understand what is really meant in terms of their power of political and economic leadership at the grassroots level. Furthermore, leaders of counties and communes should support these cadres to work boldly and resolutely, help them overcome their difficulties in a practical way, and inspire them with courage to do their job well. Moreover, efforts must be exerted to assure the fulfillment of the assigned tasks of collecting and purchasing grain for the government this year and to guard against drought. In the process of solving problems and assigning and arranging work, a democratic style of work must be developed, and it is necessary to hold representative meetings and general meetings of commune members well. By doing so, not only can problems be smoothly solved, but also the party's policies can be turned into conscious actions of the masses. Then cadres and masses will unite as one to fulfill all tasks of agricultural production.

To implement and put into effect the spirit of the CCP Central Committee's circular on agriculture is, in fact, a hard job requiring great care. Leaders at all levels should, with deep concentration of effort, strengthen their leadership, constantly go deep into the practical situation to summarize valuable model experiences in order to guide the overall work and to avoid making empty gestures. With 1 month of intense effort, we should make vast numbers of cadres and commune members understand the spirit of the national rural work conference and bring an entirely new look to the agricultural production of our province.

BRIEFS

HEBEI INDUSTRIAL OUTPUT -- This January's production output of the Hebei provincial industry and communications front increased by 10.5 percent as compared with the same period last year, thus attaining the highest January level in history. This figure was calculated on the basis of this January's average daily output value. Eight of this province's 19 prefectures and municipalities respectively registered a rise in January's industrial production output as compared with the same period last year. They are: Shijiazhuang, Zhangjiakou, Xingtai and Qinhuangdao municipalities, and Shijiazhuang, Zhangjiakou, Tangshan and Xingtai Prefectures. (Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 6 Feb 82 HK)

YANG YICHEN AT HEILONGJIANG PEOPLE'S CONGRESS

SK240546 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 23 Feb 82

[Excerpts] The fourth session of the fifth provincial people's congress ceremoniously opened this morning.

Governor Chen Lei delivered a work report of the provincial people's government at the session. His report consists of three parts. The first part is entitled "Situation in the Work in the Past Year." Governor Chen dwelled on eight issues. First, readjustment of the agricultural structure has resulted in a better harvest. Second, industrial production has developed steadily during the period of readjustment. Third, commodity circulation has been expanded to stimulate industrial and agricultural production. Fourth, an initial balance has been achieved in finance, including credit affairs. Fifth, the building of a spiritual civilization has been strengthened and scientific, technological, cultural and educational fronts have scored great achievements. Sixth, socialist democracy and the legal system have been enhanced and social order has gradually improved. Seventh, the people's living standards have been improved on the basis of production development. Eighth, foreign affairs and the tourist business have been promoted.

The second part of the work report is entitled "The Major Tasks for 1982." In this part, Governor Chen dwelled on eight tasks for our province in this year. The first task is to readjust our agricultural structure and promote the building of agricultural bases. The second task is to readjust our industrial structure, vigorously develop light industrial production with emphasis on consumer goods, and enliven heavy industrial production. The third task is to conscientiously study correct ways to make money, save money, manage money and spend money, try in every way to increase production and income and stabilize commodity prices. The fourth task is to vigorously increase economic results. The fifth task is to give full play to the role of science and technology as a promoter in modernization. The sixth task is to persistently promote material and spiritual civilizations at the same time. The seventh task is to continuously improve the people's living standards on the basis of production development. The eighth task is to enhance the people's unity, strengthen border defense, implement united front work policy and do a good job in foreign affairs.

The third part of Governor Chen's work report is entitled "Overall Readjustment and Comprehensive Treatment." In his report, Governor Chen urged efforts to conscientiously conduct readjustment of enterprises, social order and organs. He said: The method to do a good job in readjustment is to combine work in key units and all localities and conduct readjustment by stages and in groups. Following Governor Chen Lei's work report, Vice Governor Xie Yunging delivered a report on the drafts of the 1981 financial account and 1982 budget of our province. The executive chairmen of today's session were Yang Yichen, Chen Junsheng, Zhao Dezun, Ni Wei, Zhang Ruilin, Liu Qian, Liu Huixian, Wang Zhaozhi, Bai Qing, Zhao Xingyuan, Wang Huacheng, (Wang Qinghong) and (Du Dianwu).

All members attending the fourth session of the fourth provincial CPPCC committee also attended today's session. The session will continue for 6 days and conclude on 28 February.

JILIN LOCALITIES MUST CONSIDER STATE'S INTEREST

SK200926 Changchun Jilin Provincial Service in Mandarin 1100 GMT 19 Feb 82

[Station commentary: "The Part Must Be Subordinated to the Whole"]

[Text] That the part must be subordinated to the whole is a principle which should be adhered to at all times. The provincial people's government recently decided, beginning this year, to set base quotas for procurement and allocation of 10 products, such as flue-cured tobacco, sun-cured tobacco, beef, mutton, eggs, edible fungus, cattlehide, muleskin, sheepskin and wool. This is an effective measure to unite the part with the whole and to take account of the interests of the state, collectives and individuals.

This measure not only gives proper decision-making power to localities and departments, but also urges them to take the whole situation into account and hand over to the state enough farm and sideline products which should be controlled by the state so as to satisfy the needs of the state.

At present, we should pay attention to the practice of some localities and departments intending to retain more products for themselves and deliver fewer to the state and managing to market more products at negotiated prices and fewer at parity. This practice of seeking only private interests to the neglect of the overall interests will not only cause losses to the whole but also to localities and departments. Therefore, we should firmly implement the decision of the provincial people's government on setting base quotas for procurement and allocation of 10 second-category farm and sideline products so as to ensure smooth fulfillment of the plans for the national economy and to meet the needs of urban and rural markets.

LIAONING'S GUO FENG LECTURES ON ECONOMY

OW230915 Beijing XINHUA Domestic Service in Chinese 1130 GMT 20 Feb 82

[Text] Shenyang, 20 Feb (XINHUA) -- According to a XINHUA reporter, Comrade Guo Feng, first secretary of the Liaoning Provincial CCP Committee, recently visited Shenyang's Liming machinery company as an ordinary lecturer to brief the company's more than 1,000 staff members and workers on the current economic situation in urban areas. He answered questions of common concern to the people there.

The Liming machinery company is a fairly large machinery enterprise in Shenyang municipality. In the course of economic readjustment, this company found itself without enough production assignments. Some workers misunderstood the policy of readjusting the national economy. They held and expressed different views on the questions of commodity prices and people's living conditions. Comrade Guo Feng addressed his report to these questions.

Because of insufficient production assignments, some people regarded readjustment as a reduction in production not benefiting the people's livelihood. Comrade Guo Feng said in his report: Readjustment aims at improving the people's livelihood. It calls for readjusting a "flesh-and-bones" relationship to improve the people's living. After several years of readjustment the proportional relations among the various economic sectors will gradually become balanced, production of consumer goods will grow by a large margin and the people's living conditions will improve. Over the past few years, the state has adjusted wages several times, enforced the bonus system and built large housing complexes for the workers. Here in this company, some 100,000 square meters of floorspace of housing was built in recent years, equal to about a quarter of the area of factory buildings built since the founding of the PRC. The practice of the last 3 years shows that economic readjustment helps promote the development of production and improve the people's living. It is wrong to think of economic readjustment as something that runs counter to the improvement of the people's living.

Some workers raised questions about price increases. Some said that the policy of achieving basic price stability had not been enforced. Comrade Guo Feng also commented on this question in his report. He said: We are enforcing the policy of achieving basic stability of commodity prices. Prices of our people's basic necessities have been stable in recent years. There has been no change in the prices of basic necessities and services such as fuel, rice, edible oil, salt, sauce, vinegar and tea -- the seven important materials for every household in China -- as well as cotton cloth, rent, water and electricity and transportation, which together account for over 60 percent of a family's expenditure. In some cases, where there was a need for a price increase, the state has kept prices unchanged through subsidies. In the future, the party and the state will continue unswervingly to enforce the policy of maintaining price stability. Of course, while maintaining the basic stability of commodity prices, the state has raised the prices of a few commodities, such as cigarettes and liquor, in a planned, step-by-step way. These increases were made to develop production and influence consumption.

While increasing the prices of some commodities, the state reduced the prices of some other consumer goods, such as chemical fiber, wristwatches, radios and television sets. This has brought tangible benefits to the people.

Comrade Guo Feng continued: Then, why is it that in our daily life we always feel as if everything is going up? This is something that is linked to shortcomings in our work. Because in our price control work we failed to keep up with the development of the situation, some enterprises, self-employed households and business personnel raised prices secretly or in a disguised way to seek gains for themselves and their units. In addition, prices also went up at rural trade fairs. Furthermore, speculators deliberately manipulated prices to make huge profits. All this has affected price stability and the people's living. This is a question that is to be resolved through our work. We must earnestly tighten price control and mobilize the general public to supervise prices. Any unit which raises prices without authorization will be fined or punished by suspension of bonuses or the responsible persons' wages or, in the case of more serious offenses, by administrative and legal actions according to state regulations. We should also concentrate our efforts on striking at speculation, hoarding and manipulation, unauthorized resales for the purpose of making illegal profits and other illicit activities. We believe that through the joint efforts of the party committees, governments and the broad masses of people it is possible to achieve basic stability of commodity prices.

A small number of workers expressed doubt as to whether there had been any improvement in urban people's living standards in recent years. Some even said that living standards had gone down and that they did not live as well as in the past. Comrade Guo Feng cited a large number of facts in his report to illustrate that the people's living standards had improved and their incomes had indeed increased, as far as the great majority of the people were concerned. He said: However, it should also be realized that as for those workers, office cadres and school faculty members and workers who have a big family to support, have fewer family members working and receive fewer or no bonuses, their living standards have indeed deteriorated somewhat. The state is concerned about these comrades and is seeking ways to gradually resolve their difficulties. But on the whole, the income of most of our comrades has increased. It is wrong to deny this fact.

Principal leading comrades of the provincial CCP committee received a good response from the masses when they went down to grassroots units to explain and publicize the current situation. Many workers said: The briefings given by the leading comrades of the provincial party committee are objective and very persuasive. We have not heard such reporting for many years. After hearing the reports, many workers realized that China's economy is still fairly backward and that in a country with a population of a billion the people's living conditions cannot improve quickly, more quickly than production growth, since some capital should be accumulated for construction purposes. They now believe that as members of the working class, they should show understanding and sympathy for the state's difficulties and adopt the attitude of being the country's masters in striving to fulfill the economic readjustment tasks and accomplish the four modernizations.

Comrade Guo Feng's report at the grassroots level was one of the activities launched in Liaoning following the revival of the party lecturer system by party organizations at all levels. According to reports, other party lecturers of various levels throughout the province have also gone down to the grassroots levels recently to explain and publicize the economic situation to the masses.

BRIEFS

JILIN WATER RESOURCES -- The Jilin Provincial People's Government established a provincial committee for the administration of water resources. The committee held its first meeting on 15 February in Changchun. Wang Jiping, vice governor and chairman of the committee, spoke. [Changchun Jilin Provincial Service in Mandarin 2200 GMT 20 Feb 82 SK]

LANZHOU PLA UNITS URGE LEARNING FROM LEI FENG

SK240542 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 23 Feb 82

[Text] According to our sources, the political department of the Lanzhou PLA units issued on 17 February a suggestion on launching the campaign of learning from Lei Feng, learning from heroes and fostering a new work style. This suggestion notes: 5 March 1982 is the 19th anniversary of the call for learning from Lei Feng issued by Comrade Mao Zedong and other veteran proletarian revolutionaries. All units should conduct memorial activities and give wide publicity to Lei Feng's model deeds and lofty ideology by sponsoring report meetings and forums and by using radios, wall posters and literary and art works. At the same time, all units should propagate the advanced deeds of (Jiang Fanshen), a soldier-loving model of the Lanzhou PLA units; (Li Shuren), a cadre of the Lei Feng type; (Li Kelun), a fighter of the Lei Feng type, and model figures in their own units.

The suggestion also notes: While conducting the campaign of learning from Lei Feng, learning from heroes and fostering a new work style, it is necessary to organize cadres and fighters to participate in voluntary labor to benefit the people. The PLA units stationed in urban areas should participate, under the unified plans of local governments, in such voluntary labors as planting flowers and grass and beautifying the environment. If conditions permit, units should mobilize the CYL members and youths to build forests and nurseries. It is also necessary to carry forward the glorious tradition of supporting the government and cherishing the people and organize cadres and fighters to render good services to the people at stations, parks, streets and other public places.

QINGHAI UNCOVERS VIOLATIONS OF PRICE POLICIES

SK201017 Xining Qinghai Provincial Service in Mandarin 2330 GMT 19 Feb 82

[Excerpts] According to our sources, during the period around the Spring Festival, the Xining municipal government price inspection group conducted a price survey in the Xining area. It discovered that four problems concerning market prices remained unsolved.

1. Prices in collective commercial units were not unified. Among 17 collective commercial units and 370 commodities surveyed, there were price inconsistencies found in 34 items, about 20 percent [as heard]. Among 19 cooperative, private and educated youth-run commercial outlets and 470 commodities surveyed, prices of one-third of the commodities were decided by the commercial outlets.
2. Measurement instruments were inaccurate and incidences of giving short measurement were frequent. Among 529 balances inspected, 24 were inaccurate. Some 4.6 percent of other measurement instruments were also found inaccurate.
3. Fraudulent purchases of commodities and the driving up of prices by speculators were quite serious. For instance, the vegetable market in Eastern Street once sold wholesale 1,000 jin of [word indistinct] to speculators at 0.6 yuan per jin, which the speculators resold at 0.9 yuan per jin. Similar deals also occurred in some fresh vegetables and salt-water fish.
4. Some vegetable markets raised prices without authorization.

The price inspection lasted 20 days. Some 153 grassroots commercial shops and outlets were surveyed. The inspection group promptly redressed some of the problems it had discovered and punished those who committed serious violations.

LIANG BUTING SPEAKS AT QINGHAI CPPCC MEETING

SK180626 Xining Qinghai Provincial Service in Mandarin 2330 GMT 17 Feb 82

[Excerpts] The 15th standing committee meeting of the provincial CPPCC committee was held 11-16 February in Xining. The meeting decided that this year the provincial CPPCC committee should strengthen and improve its work, readjust the relationship between various fields on the united front, intensify self-education and self-remolding, conduct investigations and study on special subjects, assist the party and the government in economic work and make new contributions to our building of material and spiritual civilization.

Comrade Zhao Haifeng, secretary of the provincial CCP committee and chairman of the provincial CPPCC committee, spoke on the united front work. He said: We should further consolidate and expand the patriotic united front and contribute to great unification and unity. For this reason, we should mobilize all patriotic forces to successfully do the work directed toward Taiwan and continue to implement pertinent policies. In addition to correcting wrong, unjust and framed-up cases and implementing the policies concerning former industrialists and businessmen, intellectuals, people who revolted and crossed over to our side and Overseas Chinese affairs, we should implement the policies concerning Taiwan compatriots and the families of those who went to Taiwan, which is a more urgent political task.

Comrade Liang Buting, first secretary of the provincial CCP committee, spoke at the conclusion of the meeting. After dwelling on the plans for this year's work, he said: The people of various walks of life of the CPPCC committees are better educated and have more social connections. I hope that they will make full use of this and, under the leadership of the party, supervise and support the party's work, arouse the enthusiasm of all fields and solicit their opinions so that the relations between party and nonparty persons will become more harmonious.

SHAANXI CONFERENCE DISCUSSES CIVIL DEFENSE

HK170257 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 16 Feb 82

[Text] According to SHAANXI RIBAO, provincial Governor Yu Mingtao presided over a provincial people's air defense conference on 11 February. The conference conveyed the spirit of the national people's air defense meeting and made arrangements for air defense and preparedness against war in the province in 1982.

Comrade Yu Mingtao pointed out in a speech: In future people's air defense work, we must be guided by the principle of making all-round plans, emphasizing the key points, combining peacetime and wartime use, and putting quality first, improve the quality of projects and do well in combining their peacetime and wartime use. Specifically, we must unify planning, arrangements, and promote the combined peacetime and wartime use of the projects. Apart from being able to serve society and contribute to the four modernizations, the people's air defense projects can also be properly maintained and managed by being used in peacetime, thus creating conditions for their use in wartime. It is necessary to strengthen and improve those projects that are not up to standard and that affect surface buildings and traffic safety. This must be done in a planned way. The existing projects must be maintained and managed well.

In conclusion, Comrade Yu Mingtao and some members of the provincial people's air defense committee inspected Xian air defense projects that combine peacetime and wartime uses. They were accompanied by (Zhang Tiemin), acting mayor of Xian and chairman of the municipal people's air defense committee.

WANG ENMAO AT XINJIANG FORUM ON CIVILIZATION

HK190642 Urumqi Xinjiang Provincial Service in Mandarin 1300 GMT 18 Feb 82

[Summary] At the closing meeting of the forum of prefectural and county CYL committee secretaries yesterday, the regional CCP committee first secretary, Wang Enmao, appealed to the youths to play vanguard roles in the activities of "the month of civilization and politeness," which are going to be conducted next March.

He called on the youths to make efforts in the following respects: "First, they should continue to do a good job of uniting all the nationalities and strive to be model workers in promoting national unity. Second, they should safeguard the social order and fight against evildoers and their activities that disturb the social order, and thus strive to be model workers in promoting stability and unity. Third, they should take an active part in the patriotic sanitation movement and make their urban and rural areas entirely clean so as to contribute to creating comfortable and fine surroundings." Fourth, they should actively take part in planting trees. The more they plant, the better. "Fifth, in the 'month of civilization and politeness' they should learn from Lei Feng and strive to be vanguards of the revolution by doing many good things. They should continue to carry out activities of 'five stresses' and 'four beauties' so as to become pioneers in building the spiritual civilization."

At the end of his speech, Comrade Wang Enmao called on the party committees and departments at all levels to strengthen their leadership and cooperation so as to jointly do a good job in conducting the activities of "the month of civilization and politeness."

BRIEFS

XINJIANG OLD CADRES RETIRE -- By the end of last year, 1,237 old cadres in Xinjiang region had retired one after another in response to the call of the party. To enable them to spend their remaining years in happiness, departments at all levels of the party and the government have shown concern for and cherished them politically and done their best to take care of them in livelihood. The concern for them shown by the party and the government has deeply touched them. In their remaining years, many old comrades are still doing what they can for the party and the people. After retirement, some old comrades have still thought of the work in their former units. In regard to some important problems concerning the region, they have worked out ideas and found solutions. After his retirement, an old comrade voluntarily worked in a neighborhood residents' committee and wholeheartedly served the masses. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 13 Feb 82 HK]

XINJIANG ENERGY CONSERVATION -- Xinjiang region achieved remarkable results in energy conservation in 1981. The amount of energy conserved in the whole year was equivalent to 370,000 tons of standard coal. Last year, the region further readjusted the ratio between the light and heavy industry and the proportion of heavy industry dropped. Heavy industry enterprises have carried out the activities of tapping potential and carried out technical innovation and modification with energy conservation as the central work. All relevant departments and enterprises have scientifically controlled energy resources. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 13 Feb 82 HK]

COMMENTARY ON FRIENDSHIP BETWEEN TAIWAN, U.S.

OW221451 Taipei International Service in English 0100 GMT 21 Feb 82

[Station commentary: "The Republic of China Is One of the Best Friends of the United States"]

[Text] Ronald Reagan was needled when his old friend Barry Goldwater said he had not kept his promises to the people of the Republic of China [ROC] on Taiwan. Senator Goldwater has been a close friend of free China for many years. But then, so is President Reagan. The Arizona senator said President Reagan was not keeping faith with the Taiwan Relations Act to supply defense weapons to safeguard the 18 million people of the island. The spokesman for Mr Reagan said the ROC had been treated with dignity and respect. He referred to the people of Taiwan as old friends and said they would not be mistreated in order to make new friends.

The people of Taiwan believe President Reagan is sincere. Not long ago, President Chiang Ching-kuo pointed out that Mr Reagan was bitterly defending the whole free world and he expressed confidence that he was doing his best for the ROC. The American chief executive spoke of the view of government agencies supporting his decision against selling more advanced jet fighters to the ROC at this time. He said that this was unanimous.

At the same time, it may be recalled that the State Department said such sales would anger the Chinese communists and lead to a crisis in relations between Washington and Peiping. President Reagan approved the continuing sale of the F-5E fighters for the defense of Taiwan. This is a good plane but it is getting old. It will not be a match for the Chinese communist fighters now coming into production.

Not so long ago, the U.S. Government was discussing whether to sell free China the F-16, the F-16-39 or the F-5G, which is an improved version of the F-5E. There was, at that time, no thought that the ROC would be asked to use the F-5E for the indefinite future. This was what Senator Goldwater had in mind when he observed that if better weapons were not made available for Taiwan's defense, it might be too late.

President Reagan may intend to show dignity and respect to us. The people of Taiwan would not expect less from an old friend. The question that Barry Goldwater posed was whether Mr Reagan had been pressured by advisers to believe the United States must play the Red China card in order to checkmate the Soviet Union. That would be a mistake, because the Chinese communists have shown much less interest in standing up to the USSR than in getting the United States out of the way so they can grab Taiwan.

Senator Goldwater said it bluntly: "Communist China," he told the Senate, "is attempting to pressure President Reagan into dumping the Taiwan Relations Act in all U.S. commitments to assist in the defensive needs of Taiwan." "Some people in the State Department," he observed, "think that Communist China is the answer to peace in Asia."

Senator Goldwater clearly did not want to criticize the chief executive of the United States. He recalled what Mr Reagan had to say about the ROC before and during the presidential campaign. He could also point out that President Reagan is a lifetime fighter against communism and has recently said the communists are facing their doomsday.

Are the Chinese communists an exception? Are they good communists while the Russians are bad ones? Mr Goldwater was hitting the nail on the head when he implied that others were influencing President Reagan to make decisions that are not in keeping with his own convictions.

The record of the Chinese communists is very clear. It is an oppressive one at home, and an aggressive one abroad. From the rape of Tibet to this day, the Chinese communists have not kept their word to anyone. They were fighting against the United States in Vietnam even as President Nixon decided to cultivate them.

The ROC and its people hope that President Reagan will listen to his old friend from Arizona. Barry Goldwater is telling Ronald Reagan the truth about the China problem. He is telling his president that the Chinese communists are no friends of the United States, whereas the ROC is one of the best friends America ever had. The senator from Arizona has no ax to grind. He merely wants to put President Reagan's decision on the same side as Mr Reagan's heart.

AGENCIES ALERTED TO PRC'S 'SOFTBALL DIPLOMACY'

OW221449 Taipei CNA in English 1426 GMT 22 Feb 82

[Text] Taipei, 22 Feb (CNA) -- The Executive Yuan has instructed the Ministries of Education and Foreign Affairs and the government Information Office to be on the alert against the possible "softball diplomacy" by the Chinese communists.

According to foreign wire reports, Red China has decided to send a team to the fifth world women's softball championships scheduled for July 2-11 in Taipei.

In a written reply to a question by Legislator Tsai Pang-yen, the Cabinet said the government will do its best to prevent Peiping from using the July competition as an occasion for practising its united front plots.

PREMIER ON DEFENSE INDUSTRY, FOREIGN RELATIONS

OW191419 Taipei CNA in English 1349 GMT 19 Feb 82

[Text] Taipei, 19 Feb (CNA) -- The government is preparing to manufacture tanks, ships and other sophisticated weapons and military equipment. Premier Sun Yun-hsuan made the revelation in his administrative report to the Legislative Yuan Friday. "Many items are close to the productive stage."

The premier summed up the nation's efforts in further strengthening national defense and expanding total diplomacy as follows:

To ensure self-sufficiency in weaponry, we have in recent years worked hard to develop our national defense science and technology and our national defense industry. Thanks to the vigorous participation and knowledge of domestic and foreign specialists and the division of labor between military and civilian industry performing as a single unit, we have made considerable progress in manufacturing our own weapons and military equipment. Such products as 155-mm artillery pieces; artillery with increased range; electronic communications vehicles; Kun Wu, Kung Feng, Hsiung Feng and Ching Feng missiles; and rockets were shown at last year's National Day military parades. We are preparing to manufacture tanks, ships and other sophisticated weapons and military equipment. Many items are close to the productive stage.

We have carried out defensive and offensive deployments in keeping with our strategy and combat requirements by readjusting disposition of troops on Taiwan, Penghu, Kinmen and Matsu; enlarging naval and air bases; and stepping up preparations for defense of our bastion of national revival.

In recent years, our major efforts have been devoted to augmenting air combat strength by replacing old aircraft, producing anti-aircraft missiles and rapid-fire artillery, and establishing an automatic combat control system to ensure air supremacy.

Improved submarines and surface vessels are sought to increase the power of the navy. We have ordered two submarines from Holland, increased our search and destroy anti-submarine combat capability and established a high-speed missile boat unit to provide control of the sea. To improve our capability for ground warfare, we have increased armored artillery and armored research units, fortified emplacements and blockade facilities along the coast of Taiwan and on offshore islands, improved the equipment of our garrison troops, strengthened civil defenses and improved the reserve mobilization system so as to assure peak combat power at all times.

We continue to adhere to the principles of independence and sovereignty and reciprocity in expanding our external relationships. We shall promote total diplomacy by continuing to strengthen friendly relations and cooperation with all countries maintaining diplomatic relations with us. We shall also make every effort to extend friendship to newly independent states. As for democratic countries with which we have no diplomatic ties, we shall take advantage of trade and investment ties and exchanges of culture and technology to augment substantive relationships, open up a new vista on the diplomatic front and elevate our international position. The Republic of China currently maintains diplomatic relations with 23 countries and has substantial relations with more than 140 countries and areas. This is a breakdown of what we are doing.

-- Relations with the United States. The relationship with the United States has improved since President Reagan's inauguration. We shall continue to promote close relations with various levels of U.S. society. Increased bilateral trade contacts and exchange visits with U.S. local governments will promote friendship between the peoples of the United States and the Republic of China. The Government of the United States recently reiterated its concern over the well-being of the people of the Republic of China and its unchanging policy of providing defensive weapons for this country. Our government welcomes this. At the same time we are deeply disappointed at the U.S. decision not to supply us with advanced jet fighters. We hope sincerely that the United States will abide by the Taiwan Relations Act and, continuously observing the military situation in the Taiwan Strait, will supply us with the sophisticated weapons necessary to maintain the position of defensive strength required in assuring the stability and security of the western Pacific.

-- Relations with European countries. We currently have cultural, economic and trade offices in 14 Western European countries. Eight of these countries have offices in the Republic of China. Eight banks of four Western European countries have opened branches in this country. This demonstrated that we have continued to make outstanding progress in promoting substantial European relations during the past year. Cultural and technological exchanges also are being developed.

-- Relations with Latin American countries. Establishment of diplomatic relations with Saint Vincent last August increased the number of Latin American nations maintaining formal ties with the Republic of China to 12. Relations with the Republic of Haiti have become closer since that country opened an embassy in the Republic of China last October. President Rodrigo Carazo Odio and Mrs. Carazo visited the Republic of China October 8, 1981, and the two countries agreed to strengthen agricultural, fishery and industrial cooperation.

-- Relations with African and Middle Eastern countries. We have augmented these ties during the last year. More than 170 technicians and members of Chinese agricultural demonstration teams are working in Africa. The various cooperation projects between Saudi Arabia and the Republic of China have been continuously enlarged. More than 1,200 of our people are now working in that country. The cordial relationships with the Republic of South Africa and Saudi Arabia assure our continuous access to important natural resources.

-- Relations with Asian and Pacific countries. I accepted the invitation of Indonesia to visit that country last December. My meetings with President Suharto and other Indonesian Government leaders on matters of mutual concern were helpful. The two countries decided to expand agricultural, industrial, fishery and technological cooperation, and this should lead to the enhancement of substantial relations. The Government of Australia opened a trade and industrial office in the Republic of China last October to further these relations. The countries of ASEAN make up an important market and are suppliers of raw material. Although they have no formal relations with this country, the relationships are substantial. We shall actively promote friendship and cooperation with ASEAN to strengthen our position in the western Pacific.

Additionally, through reports by the international mass media and exchange visits to various countries, we hope to create a new image in the world. We should pay particular attention to the exposing of the Chinese communists' united front tactics and to the refutation of international appeasement absurdities and to the slanders of the secessionists.

DEFENSE MINISTER DISCUSSES AVIATION DEVELOPMENT

OW201219 Taipei Domestic Service in Mandarin 1200 GMT 19 Feb 82

[Text] In answering a question by Legislator Hung Chao-nan, Defense Minister Sung Chang-chih said today at the Legislative Yuan: The government has allocated NT\$5.7 billion to the aviation research and development center for developing fighter engines. In 10 years, we will be able to produce aircraft for our own air force.

In answering a question by Legislator (Chao Hui-mo) on the export of defense weapons, Minister Sung said [begin recording]: We now sell defensive weapons to other countries. However, the question of weapons' sales is a very sensitive one. (?We do not rashly decide to sell weapons to any country). In so doing, we must take the overall international situation into account. [Words indistinct] if a small country in a region, where the weapons of all other countries are backward, obtains sophisticated weapons, it will be able to upset the balance of power there and create dangerous trouble. If we were as imprudent as international arms dealers, we might sell weapons to friendly countries, or even to our enemy. Therefore, great care must be exercised in selling weapons. (?The question raised by Legislator (Chao) is absolutely correct). We may export our surplus weapons to gain more foreign exchange earnings with which to improve our people's standard of living. This is indeed correct. However, it should be understood that we now export weapons, but do so with great circumspection. [end recording]

Sung Chang-chih also said: Our country may be able to succeed in producing highly sophisticated fighter planes in the mid-1980's and to mass-produce such aircraft toward the end of the 1980's.

In answering a question by Legislator (Lin Feng-hung), Sung Chang-chih stressed: Through years of effort, our country now can produce most conventional weapons. As for highly sophisticated weapons, we are engaged in research and development. Approximately \$1 billion is needed to introduce foreign technology to produce highly sophisticated weapons, through cooperation with other countries. We are planning to actively introduce such technology from abroad.

Sung Chang-chih said: The Chinese communists are now developing second generation aircraft. So we now need the above-mentioned highly sophisticated aircraft very badly for our national defense, and we will never stop our efforts to get such aircraft.

He said: We are planning to produce highly sophisticated fighter planes. However, it will take a fairly long time to carry out this plan. For the survival and security of our country, the government will spare no effort to produce such aircraft and has the confidence to do so.

TA KUNG PAO ON PRC REFORMS, LEADER APPEARANCES

HK230724 Hong Kong TA KUNG PAO in Chinese 23 Feb 82 p 3

[Article by Tian Ming [3944 2480]: "Vice Ministers Appearing Amid the Sounds of Readjustment"]

[Text] The State Council is taking the lead in reforming the administrative structure. There will be a big change of personnel. Now it seems that everything is ready for the change and the plan for streamlining has been worked out.

Foreigners and Overseas Chinese are also taking a great interest in this matter. On the one hand, they hold that the unprecedented large-scale streamlining and readjustment of China's government organizations aimed at eliminating bureaucracy is an enlightened political measure. On the other hand, they are eager to know the results of the change of personnel and the merging and readjusting of government organizations. This is necessary in their contacts with China as well as in their business.

The recent activities of Beijing's ministers and vice ministers have attracted people's attention.

Since the Spring Festival, there have been fewer ministers and vice ministers appearing on public occasions. Some of them have been crowned with the title of "adviser." For example, in meeting with French guests on 11 February, the former Vice Minister of the Third Ministry of Machine Building Duan Zijun appeared as an "adviser."

Roughly speaking, ministers and vice ministers who appeared in February at various meetings or who appeared in dealings with foreign affairs are as follows:

Minister of the State Economic Commission Yuan Baohua and Vice Minister Xue Renzong;
Minister of the Physical Cultural and Sports Commission Li Menghua and Vice Minister Chen Xian;
Vice Minister of the State Machine Building Industry Commission Fan Wuhan;
Vice Minister of the State Scientific and Technological Commission Zhao Dongwan;
Foreign Minister Huang Hua and Vice Ministers Han Nianlong, Zhong Xidong, He Ying, Zhang Wenjin, Pu Shouchang, Zhang Canming and Gong Dafei;
Minister of National Defense Geng Biao;
Minister of Foreign Trade Zheng Tuobin and Vice Ministers Wang Runsheng, Chen Jie, Lu Xuzhang and Jia Shi;
Vice Minister of Economic Relations With Foreign Countries Lian Tianjun;
Minister of Coal Industry Gao Yangwen and Vice Minister Kong Xun;
Vice Minister of Chemical Industry Qin Zhongda;
Vice Minister of Textile Industry Wang Ruiting;
Minister of Light Industry Song Jiwen and Vice Minister Yu Jianting;
Minister of the First Ministry of Machine Building Rao Bin;
Vice Minister of the Second Ministry of Machine Building Jiang Shengjie;
Vice Minister of the Third Ministry of Machine Building Chen Shaozhong;
Minister of the Fourth Ministry of Machine Building Qian Min;
Minister of the Sixth Ministry of Machine Building An Zhiwen and Vice Ministers Liu Fang, Cheng Xin and Zhang Youxuan;
Minister of Public Health Qian Zhongxin and Vice Ministers Huang Shuze and Hu Zhaozheng;
Minister of Education Jiang Nanxiang and Vice Minister Zeng Delin;
Vice Ministers of the Ministry of Culture Situ Huimin and Wu Xue;
Minister of Posts and Telecommunications Wen Minsheng;
Vice Minister of Communications Cheng Wang;
Director-General of the General Administration of Civil Aviation Shen Tu and Deputy Director-General Lin Zheng;
Director-General of the General Administration for Travel and Tourism Han Kehua.

Beijing sources pointed out that many State Council departments will be merged and that the number of ministers and vice ministers of each ministry will be limited to four. Obviously, as over four ministers and vice ministers of the Foreign Trade Ministry have appeared, there will be further changes in the future when this ministry merges with the Ministry of Economic Relations With Foreign Countries and the Administrative Commission on Import and Export Affairs.

In his government work report delivered at the NPC last November, Premier Zhao Ziyang revealed that the big changes in the State Council departments and in personnel would be examined and approved by the NPC Standing Committee.

Now the NPC Standing Committee is holding a meeting in Beijing. Is the plan for the transfer of personnel to be discussed at this meeting? Will there be some important announcements these days? This is really an important matter meriting attention.

MING PAO REPORTS ON STATE COUNCIL STREAMLINING

HK230636 Hong Kong MING PAO in Chinese 23 Feb 82 p 6

[Special dispatch from Beijing: "Central Committee Issues Document; State Council To Take Lead in Streamlining; Will Limit Vice Ministers to Three"]

[Text] Beijing is actively restructuring its institutions by streamlining administrative organs and reducing the number of redundant personnel. The CCP Central Committee has decided that the work of restructuring institutions should start with the central government. The State Council's ministries and commissions should be simplified. The number of redundant personnel at or below the ministerial, department and bureau levels should be reduced in order to increase the number of young leading cadres, and leading cadres will have specialized knowledge. The work will then be extended to local governments in provinces, municipalities and autonomous regions. According to correspondents' reports, the CCP Central Committee has issued an official document on streamlining administrative organs and reducing the number of redundant personnel. This document has given explicit instructions on steps and methods for restructuring institutions. By the middle of this month, this Central Committee document had been relayed to leading organs directly under the State Council's ministries and commissions. It will be further relayed to leading organs at the lower levels down to the basic levels.

The document has approached the current restructuring of institutions from the high plane of eliminating bureaucracy, raising work efficiency and guaranteeing the realization of the four modernizations.

This document says that the work of simplifying administrative organs will first be carried out in the government and then in the party; first among the central authorities and then in the various localities. In the future, ministers of the State Council's ministries and commissions should not be older than 65. Once they have reached this age, they must retire. Cadres at or below the levels of vice ministers, directors of departments and bureaus, directors of divisions and directors of sections shall retire at the age of 60 in accordance with stipulations for ordinary cadres. Generally speaking, the number of vice ministers vice directors of departments and bureaus and vice directors of divisions should not exceed three. Under special circumstances where the routine workload is heavy, the number may be increased to four. Redundant personnel who are not old enough to retire should all be assigned to work at basic levels to strengthen the leadership there. Those who are old shall retire without exception. Cadres in their prime of life must master professional knowledge. They should receive rotational training in different professions by joining training classes or attending professional classes run by colleges and universities.

This document stipulates that ministries and commissions of the State Council where experiments are being carried out must submit before the middle of this month their plans for merging and simplification. After these plans have been examined and approved by the central authorities, actual work in simplification will start.

This document contains stipulations concerning giving preferential treatment to ministers over 65 years old and vice ministers and directors of departments and divisions over 60 years old who retire. After government cadres at or above grade 13 of the administrative scale have retired, they will receive exactly the same salary as before.

In addition to this, subsidies will be granted to them according to the number of years since they joined the revolution. One yuan will be added to their salary for each year. Consequently, their salary will increase after their retirement. For example, in the Beijing area, the salary of a grade 13 government cadre is over 150 yuan per month (due to area differences, this amounts to over 170 yuan in Guangzhou). If he retires and if he joined the revolution 40 years ago, his monthly salary will be increased to over 190 yuan.

It is said in Beijing that high-ranking cadres such as Politburo members of the CCP Central Committee, secretaries of the Secretariat, vice chairmen of the NPC and vice ministers of the State Council are all considered as "leaders of the party and the state." The age for their retirement is also under consideration. It is said to be 80.

BEIJING WELCOMES TAIWAN OIL COOPERATION

HK220707 Hong Kong HSIN WAN PAO in Chinese 22 Feb 82 p 4

[Report: "Beijing Welcomes Taiwan Cooperation in Offshore Oil Exploitation"]

[Text] Beijing, 22 Feb -- According to the departments concerned, the motherland welcomes Taiwan oil enterprises to pool capital with the motherland's oil departments and cooperate in exploiting offshore oil resources.

At present 46 oil companies belonging to 12 countries are taking part in the imminent first round of bidding for China sea oil prospecting and exploitation.

Taiwan is part of the motherland, and Taiwan entrepreneurs who come to the motherland to invest and work together with the mainland's oil departments in exploiting the offshore oil resources should be welcomed and given preferential terms.

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